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Ontario, LEGISLATIVE ASSEMBLY

No. 98

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, July 6, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

Tuesday, July 6, 1982

The House resumed at 8 p.m.

CALABOGIE ASBESTOS MINING COMPANY LIMITED ACT

Mr. Robinson moved, on behalf of Mr. Yakabuski, second reading of Bill Pr19, An Act to revive the Calabogie Asbestos Mining Company Limited.

Motion agreed to.

Third reading also agreed to on motion.

PEER AND SMITH LIMITED ACT

Mr. Robinson moved, on behalf of Mr. Brandt, second reading of Bill Pr23, An Act to revive Peer and Smith Limited.

Motion agreed to.

Third reading also agreed to on motion.

CO-OPERATORS INSURANCE ASSOCIATION ACT

Mr. Lane moved second reading of Bill Pr26, An Act respecting Co-operators Insurance Association.

Motion agreed to.

Third reading also agreed to on motion.

House in committee of the whole.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Consideration of Bill 29, An Act to amend the Municipality of Metropolitan Toronto Act.

Section 1 agreed to.

On section 2:

The Deputy Chairman: Mr. Rotenberg moves that subsection 10(3a) of the act as set out in section 2 of the bill be amended by striking out "except clause (c) thereof" in the first line.

Mr. Rotenberg: Mr. Chairman, the purpose of this amendment and the one I will be moving in a moment is as follows: At present, the Municipality of Metropolitan Toronto Act provides that if a councillor is absent for one month without an excuse he loses his seat. In every other municipality of Metropolitan Toronto, one has to be absent for three months without an excuse before one loses one's seat.

We are leaving clause (c) in the act, which is

the three months, and the next amendment I will be moving will be to remove subsection 10(6) of the Municipality of Metropolitan Toronto Act, the 30-day clause. Then Metropolitan Toronto will be in line with all other municipalities.

Mr. Epp: Mr. Chairman, it makes reasonable sense.

Mr. Nixon: Approaching perfection.

The Deputy Chairman: The member for Brant-Oxford-Norfolk (Mr. Nixon) has just made his comments.

Motion agreed to.

The Deputy Chairman: Mr. Rotenberg moves that section 2 of the bill be amended by adding thereto the following subsection:

"(2) Subsection 10(6) of the said act is repealed."

Mr. Rotenberg: I have already explained the purpose of this amendment.

Motion agreed to.

Section 2, as amended, agreed to.

Sections 3 to 8, inclusive, agreed to.

On section 9:

Mr. Chairman: Mr. Rotenberg moves that subsections 175(3), (4), (5) and (6) of the act, as set out in section 9 of the bill be struck out and the following substituted therefor:

"(3) The metropolitan police force, in addition to performing the policing duties prescribed in the Police Act,

"(a) may maintain a safety and lifesaving patrol of the waters of Lake Ontario within the limits of the metropolitan area; and

"(b) may provide lifeguard service on the beaches in the metropolitan area; and

"(c) may provide the Toronto Harbour Commissioners with such security and port policing for the port of Toronto as the commissioners may require from time to time.

"(4) The metropolitan board may charge such fees for the service provided under clauses 3(b) and (c) as the board from time to time determines.

"(5) The metropolitan corporation and the metropolitan board may enter into agreements with the Toronto Harbour Commissioners in respect of the transfer of members of the Toronto Harbour Police or the port of Toronto police or both, to the metropolitan police force, and any such agreement shall provide:

"(a) that every person who is a member of the Toronto Harbour Police or the port of Toronto police, as the case may be, on the 1st day of June, 1981, and who continues to be a member until the 30th day of September, 1982, shall be offered employment at no loss in salary as a member of the metropolitan police force as of the 1st day of October, 1982; and

"(b) that all property, both real and personal, used on the 1st day of June, 1981, in connection with the operation of the Toronto Harbour Police or the Port of Toronto Police, as the case may be, shall be transferred without compensation to the metropolitan corporation for the use of the metropolitan board.

"(6) The corporation of the city of Toronto may contribute to the Ontario municipal employees retirement system such sums as may be required to provide to members of the Toronto Harbour Police who accept employment under clause (5)(a) the same period of credited service in the Ontario municipal employees retirement system as their period of credited service in the pension plan of the Toronto Harbour Commissioners on the 30th day of September, 1982."

Mr. Rotenberg: Mr. Chairman, very briefly, we discussed this on second reading of the bill, but the core part of the bill gives Metropolitan Toronto permission, because they require the permissive legislation, to enter into an agreement with the Toronto Harbour Commissioners to take over the harbour police or the port police or both. It is my understanding that negotiations between these bodies are now in progress and have gone very well.

There were a number of questions raised in connection with the security of tenure of the employees of the harbour police and the port police. I say I think I answered those questions the other night.

There is just one other comment I could make. Sitting in the gallery this evening is one of the members of the Toronto Port Police, who tells me on his own behalf and on behalf of the other 13 members of the Toronto Port Police, that they are very pleased with the negotiations as they are going and are pleased with the act that is now in force. I think that probably goes a long way to answer the question of the member for Etobicoke (Mr. Philip) on the paper.

It is my understanding, as I said the other night, having spoken to the chief of police, the chairman of the Toronto Harbour Commissioners, who was here, and the chairman of Metropolitan Toronto that negotiations are going well and that all parties are reasonably

satisfied. The main concern of the members opposite is that the employees will be protected, but that is in hand, and the employees are satisfied at this moment.

Mr. Epp: We support this amendment. I just wanted to ask the parliamentary assistant whether he indicated that in both (a) and (b) where the "or" is, he also added "or both." If that is the case, we are prepared to accept the amendment.

Mr. Rotenberg: I'm sorry, I lost your trend.

8:10 p.m.

Mr. Epp: Under (a) and (b) at the bottom of page 1 and the top of page 2 of the copy of the amendment, where there is reference to "the Toronto Harbour Police or the port of Toronto police," did he indicate "or both" in both of those cases?

Mr. Rotenberg: Mr. Chairman, the requirement for the "or both" was drawn to my attention specifically by the chairman of the harbour commissioners, who indicates that it is not necessary in the other case; as long as they can take in both, then you do not need the words "or both" in the other sections, because if you take both then it is both.

My information from those who were negotiating the agreement was that it was needed in clause 5 but not in (a) or (b).

Mr. Epp: Mr. Chairman, it was the chairman of the Toronto Harbour Police who indicated that we should have "both" in all three cases, or "or" or "and/or." I just wonder whether it would be fully acceptable to have both in those three instances, in 5 and in (a) and (b) which follow. I am more interested in having a legal opinion on whether it represents the same all-encompassing aspect that we are both anxious to have or whether we can leave just the single "or" in there.

Mr. Rotenberg: Mr. Chairman, I assume we will have a word from members opposite. While that is being done I am sure I will get a note from legislative counsel as to whether we need the words "or both" in 5(a) and 5(b). I am quite prepared to abide by the opinions of legislative counsel on that matter.

Mr. Epp: I am too, provided he is right.

The Deputy Chairman: I think we could be here for many days.

Mr. Breagh: Mr. Chairman, as the member for Wilson Heights (Mr. Rotenberg) pointed out, on a number of occasions and in a number of ways we have raised our concerns about the

individuals who will be directly involved and affected by this particular piece of legislation. I must say from my own experience at a couple of different levels, often the intentions that are put forward in a piece of legislation and the words that are drafted to carry out those intentions all seem very noble, and good intentions seem to surround the whole approach to this thing.

But it has also been my sad experience that despite those good intentions and those attempts to provide drafting that covers all the loopholes and provides the ultimate in safety and protection for the people who are directly involved, somehow between the cup and the lip there always seems to be a slip; somehow it always seems that six or eight months or a year afterwards somebody comes to me with a problem of great magnitude for him personally.

The upshot of this is that in drafting the legislation, in working out the negotiations and in finalizing the agreement, somehow, something was there that does not quite cover this individual; and that, I am afraid, is my objection to the amendment that is proposed.

I am grateful that the government has moved substantially to meet some of our concerns. I think, too, that it would be almost impossible to draft in legislative form something that would offer the protection I am seeking. What I want, quite frankly, is for the negotiations to have been concluded before the legislation is passed. Of course, the government has chosen to do this in a slightly different way: that is, to write permissive legislation, which may provide it to happen. The difficulty this causes me is that I am not going to have an opportunity to stand in this House and say, "I want a slight amendment" or, more likely, "I want a more reasoned set of negotiations."

I understand that most of the people who are now directly affected with this particular amendment in place and with the negotiations that are still under way will probably get what all of us deem to be a fair and reasonable settlement: that is, the job will be guaranteed; there will be a guarantee of salary; there will be some mention of pensions; there will be pickup of benefits. But, as with any set of negotiations—particularly this one which has three or four groups involved and three or four bargaining agents at work—it is a very complicated piece of business.

One would have to look at an amendment such as this with a considerable amount of faith to say, "Well, they are all there." A cursory glance at the amendment reveals a couple of loopholes to which I will speak briefly. One is

that there is still the opportunity for the employer to do a little housecleaning since one must remain a member until September 30, 1982, which provides a considerable amount of time in which accidents can happen.

People can be discharged in many of the ministries; for example, when there are transitions of staff from one level of government to another there always seems to be some victim who turns up six to eight months later. Clearly it is never the intention of anybody involved to persecute such individuals, but somehow they fall between the cracks of the system.

I appreciate that the parliamentary assistant and the minister have responded to the questions we raised, and I appreciate that in this form of legislation probably this is about as good as we are going to get.

I wish I could say with some certainty that it is going to resolve the problems of individuals whose lives will be or could be affected by this legislation. Unfortunately, that is not true, and it is with some reluctance that I look at this and say, "Thank you for theoretically attempting to resolve a problem." However, I choose not to deal in the world of theory; I want to deal in the world of hard practicality where the individuals who might be crushed in this kind of a move will be.

Unfortunately, we will not be able to support this amendment.

Mr. Rotenberg: First, in reply to the member for Waterloo North (Mr. Epp), I now have an opinion from legislative counsel. "You do not need 'or both' in (a) and (b). In (a) it says 'as the case may be,' and also in (b) the words 'as the case may be' take care of either body: the harbour and/or the port police." As advised by legislative counsel, I suggest that we leave it as is.

Mr. Foulds: Sorry, I did not understand that. Would you go over it again?

Mr. Rotenberg: We have added the words "or both" in clause 5, and the member for Waterloo North wondered if we had to add "or both" in (a) and (b) after that. The legislative counsel says that we do not require it. I guess the honourable member was not here when the point was raised.

As far as the point from the member for Oshawa (Mr. Breaugh) is concerned, this is a technical point, I understand his point of view and I am sympathetic to it. However, we have a chicken-and-egg situation.

Metropolitan Toronto does not have the power to finalize negotiations until legislation is

passed. They have been so advised by their solicitor. So Metropolitan Toronto can only go so far in negotiations. The final agreement cannot be negotiated or passed by Metropolitan Toronto council until we have the legislation. While I sympathize with what the member for Oshawa wants to do, I think we simply cannot do it because they cannot finalize the agreements until they have the legislation.

Basically, we are dealing with three public bodies: the harbour commissioners, the Metropolitan Toronto Police and the Metropolitan Toronto council. As I have indicated on several occasions, so far the negotiations have been going well and the employees seem to be happy with the way they are going.

I think we have to have just a little bit of faith—I know that the member for Oshawa would say, “not very much”—but just a little bit of faith in the members of those public bodies to make sure that the final agreements implement not only the letter of this legislation but the spirit of it. I have faith and, as the member for Oshawa says, as the legislation goes it is the best we can do. I would hope that the House would pass this amendment.

The Deputy Chairman: All those in favour will please say “aye.”

All those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Section 9, as amended, agreed to.

Sections 10 to 15, inclusive, agreed to.

Bill 29, as amended, reported.

On motion by Mr. Rotenberg, the committee of the whole House reported one bill with certain amendments.

8:20 p.m.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Mr. Rotenberg moved, on behalf of Hon. Mr. Bennett, third reading of Bill 29, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Breough: Mr. Speaker, we participated in the second reading debate and supported the principles that are enunciated here. Our argument with this bill is not about the principle. Our argument is strictly about the mechanics: how the bill will be carried out and what protective measures are offered to people who are now employees of various agencies named in the bill.

We recognize that there are grave difficulties in trying to draft legislation which is permissive in nature and is enabling legislation and we want

to put the other side of the argument. We are not dealing with chickens and eggs. These are human beings, many of whom have devoted a lifetime of service to a particular agency here in Metropolitan Toronto and they are in a vulnerable position at the moment. I wish we could say that the legislation that has been drafted here, or the process that is being used, offers them protection in their future livelihood.

A large number of people in their late 40s and early 50s have experienced the economic shock of having their entire job life disappear, of losing what they thought was a proper work career with a pension which, on retirement, would offer them a set of benefits to protect them against sickness or accident. It has been my experience that people in that age category who suffer a job disruption are virtually unemployable.

We have recited the litany of the plants which have closed and it has been my unfortunate personal experience to see, firsthand, the number of people who have suffered economic disruption as a result. It is a cruel and bitter thing to happen to a human being.

There is nothing wrong with the principle of the bill. There is still something substantially wrong with the mechanics by which the government is moving to implement the principles enunciated in Bill 29.

We have managed to get from the government some concessions and offers of security, but all of us have experienced occasions when on paper it appeared that the battle was won, that people's lives were protected. Somehow experience tells us that getting it on paper is not good enough. It has to be tighter than that.

If we were looking at the completed set of negotiations we might be able to give an accurate assessment of what will actually happen. Since we cannot, and since we have the government's final offer in the form of an amendment here, we will not support this bill on third reading.

Mr. Speaker: Does any other member wish to participate in this debate?

Mr. Rotenberg: I have nothing further to add.

Mr. Speaker: All those in favour of third reading of Bill 29 will please say “aye.”

All those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

BUDGET DEBATE (continued)

Resuming the debate on the amendment to

the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Sweeney: Mr. Speaker, I happened to be glancing through a copy of the report of the Ontario Legislature select committee on youth, which was established by Premier Robarts in 1964. I thank my colleague the member for Windsor-Walkerville (Mr. Newman) who brought this report to my attention. I noticed that some of the members of that committee were: Stephen Lewis, the former leader of the NDP Party—

Mr. McClellan: New Democratic Party or NDP, not NDP Party.

Mr. Sweeney: Stephen Lewis, the former leader of the NDP—

Mr. Nixon: Party.

Mr. Foulds: No, never.

Mr. Sweeney: These guys are picky tonight.

Mr. Speaker: Order. A point of order, the member for Port Arthur.

Mr. Foulds: Mr. Speaker, on a point of order and linguistics, which should be instructive for a former director of education: The initials NDP stand for New Democratic Party. Therefore, one should never say "NDP Party" because one is saying, "New Democratic Party Party." Although we enjoy having a good time upon occasion, we do not have any trouble with stuttering, so we would prefer that "party" not be repeated more than is necessary. It is a literary device called redundancy and is completely unnecessary. Therefore, the honourable member should refer to this caucus as the New Democratic Party, the NDP, or the ND Party.

Mr. Speaker: Thank you for the benefit of that clarification. I am sure the member for Kitchener-Wilmot (Mr. Sweeney) will be greatly indebted to you.

Mr. Nixon: You can take the teacher out of the classroom—

Mr. Foulds: You can never take the teacher out of the classroom.

Mr. Sweeney: The member for Kitchener-Wilmot has been sufficiently advised. It just goes to show how confusing those people over there can be. It is so seldom we can understand what they are all about and what it is they are trying to say to us.

To get back to my comments, it was interesting to note that one of the members of the Ontario Legislature select committee on youth in 1964 was Stephen Lewis, the former leader of the New Democratic Party. I also noticed that

the former Treasurer of Ontario, the Honourable Darcy McKeough, was a member. So were the following: the member for Elgin (Mr. McNeil) who is still with us; the member for Windsor-Walkerville, still with us; your predecessor, Mr. Speaker, the Honourable Russell Rowe from Northumberland; the present Deputy Premier and Minister of Energy (Mr. Welch), and, finally, the government House leader and Minister of Intergovernmental Affairs (Mr. Wells). That was a formidable lineup of legislators who, between the years 1964 and 1966, a period of two and a half years, criss-crossed Ontario looking into the problems of youth.

Mr. Nixon: They did not seem so formidable then.

Mr. Sweeney: Everything changes with time.

It is interesting to note, in the light of the comments I was making before the dinner recess, some of the areas they investigated and made recommendations on. I will not read all of their recommendations, but I draw to your attention, Mr. Speaker, that under the heading of "Employment for Youth in Ontario," there are six recommendations on apprenticeship programs, four on industry and school co-operation and five on specific employment programs for youth, and there are recommendations on research into employment for youth.

Prior to the dinner recess, I had been commenting on the similarity of the comments and the recommendations of the 1963 report of the Ontario select committee on manpower training, and how similar both they and the report I just referred to, citing the years 1964 to 1966, are with the kinds of recommendations our task force on youth employment opportunities discovered when we toured Ontario between March and June 1982.

I guess it just brings back the old words that the more things change, the less they change and the more they remain the same.

8:30 p.m.

Not only were there government reports in 1963 and 1966, there was also a government report in 1968 headed, Ontario—General Advisory Committee on Industrial Training. It addressed the question of apprenticeship training and forecasting manpower needs. The report stated, "Pressure must be placed on industry to inaugurate training programs and apprenticeship programs."

Later on when I get to some of our recommendations, I am going to talk about the need in Ontario to require all industry in some form or

another to participate in a training program. I want to remind the members of this House that back in 1968, a full 14 years ago, Ontario—General Advisory Committee on Industrial Training said the same thing, so there is nothing new or startling about that recommendation.

We then move on. In 1972, four years later, there was another report of the Commission on Post-Secondary Education in Ontario entitled *The Learning Society*. Once again, the recommendations included such things as a link between educational programs and employment opportunities and a projection of manpower requirements.

It is interesting that that recommendation keeps coming up time and time again, because if there was one recommendation we have heard at every stop across Ontario it was the need for upgraded and more accurate manpower needs forecasting. Here we see it going back. All these other old government reports make the same recommendation.

We move on. Public awareness was again addressed in 1972 in *A Study of Attitudes and Levels of Information Relating to the Apprenticeship System*. It makes the observation, "The apprenticeship system is generally not understood." It goes on to say, "The presence of the apprenticeship system in the high schools of Ontario is negligible."

Once again, when we refer in our task force recommendations to a need to upgrade the apprenticeship system, there is nothing new about it. It goes back to the government reports of 1972, 1968, 1963, 1966 and on and on.

We go on a few years to 1978, when the Ministry of Colleges and Universities published a study entitled, *Costs and Benefits to Employers of Apprentices in Ontario*. It says clearly that employers in Ontario said they would prefer not to undertake the training of apprentices. There is nothing new in that. The study, however, lists as a priority the greater promotion of skill training and improved trade courses in the high schools of Ontario.

There was *Youth Employment and the Ontario Economy*, another government report published in 1978 by the Ministry of Treasury, Economics and Intergovernmental Affairs, at that time headed up by the redoubtable Darcy McKeough. There are a number of important observations in this report, but there is one absolutely startling one. This is just four years ago and the same holds true today, four years later.

Mr. McKeough's office at that time said two thirds of the youth unemployment in Ontario

was the result of the structural rigidities in our economy. Only one third, Mr. McKeough's report said, was due to economic conditions, to a slowdown in the economic growth of our province.

In other words, according to the Treasurer of Ontario in 1978, two out of every three young people in Ontario were unemployed because of the structural problems; problems that could be changed in Ontario, problems such as the quality of counselling available, the quality of the training programs available, the participation of industry in training and those kinds of things.

That is startling, because what it says is that it is no economic accident this has taken place. It is because of a lack of planning, a lack of organization, a lack of forecasting and a lack of foresight that two thirds of the young people in our province who are unemployed are, in fact, unemployed.

Let me close on these reports with the famous Pollock report. The Speaker might well remember that Don Pollock was the chairman of the Ontario Manpower Commission and he spent two years preparing a report. There is some doubt as to whether or not such a report exists. I notice the Minister of Labour (Mr. Ramsay) is in the House now. As we crossed Ontario, at every single stop without exception, I was asked, "Where is the Pollock report?"

As a matter of fact, when we were meeting the apprenticeship training people in Dofasco in Hamilton we were told that just a year earlier the then Minister of Labour (Mr. Elgie) and Don Pollock had been sitting in that very office asking almost the same kinds of questions we were. When we met representatives at Fanshawe College and at Conestoga College, once again they said: "Just a year ago Don Pollock and representatives from the Ministry of Labour were around here asking these same kinds of questions. We made input to them at that time and we understand they put together a report."

We have tried, we have approached the Minister of Labour, we have talked to the present chairman of the Ontario Manpower Commission and we are told that no such report exists—with one qualification: we were told that if such a report exists and if this report went to cabinet, then, by golly, that is where it is going to stay; it is not going any further. All I can do is speculate.

One of the reasons we speculate that this report may not have gone any further is that for the two or three months prior to July 1981, Mr.

Pollock was quoted in the popular press on a number of occasions as being very adamant in taking the position that industry in Ontario would be required to train, would be required in some way to participate in a training program.

The second area he spoke about numerous times—I have news clips on this as well—is that the skill training program in Ontario was not in very good shape. I am being very mild when I put it in that way. Therefore, perhaps it is not surprising that if the famous Pollock report in fact exists and if it makes those two major recommendations, it has not seen the light of day outside the Cabinet Office and probably will not.

I want to tell you, Mr. Speaker, and through you the Minister of Labour, there are an awful lot of people outside the walls of this Legislature who are fully aware of the fact that Mr. Pollock made those kinds of recommendations in some form and those people very much believe this report exists. If this report is being suppressed, for whatever reasons, if it exists, in the long term it might be in the best interests of the government and the Minister of Labour—if he can get his hands on a copy—to release it.

I would say there is a very serious credibility gap with an awful lot of business people outside here, with a lot of high school counsellors, with a lot of the various employment agencies—I must confess the young people were not that much aware of the Pollock report; it did not seem to be of much concern to them—but some of the other people I have just referred to have indicated very clearly that they are concerned about it.

They are rather upset that a man of the stature of Don Pollock and a man of the stature of the former Minister of Labour, the member for York East (Mr. Elgie), would go around Ontario, seek their advice, put together what they had been told was a series of recommendations for the Ontario government, and then that report would never been published, at least not publicly. I would only make that observation. The government of the day is going to have to accept the consequences of either publishing or not publishing that report, but there are a lot of people who are looking for it.

8:40 p.m.

What I have tried to do in the last half hour or so and for a little time before dinner was to draw to members' attention that, going back to the Simonett report of 1963; the report of the Ontario Legislature select committee on youth in 1966; the General Advisory Committee on

Industrial Training in 1968; the report of the Commission on Post-Secondary Education in Ontario in 1972; A Study of Attitudes and Levels of Information Relating to the Apprenticeship System, also in 1972; Costs and Benefits to Employers of Apprentices in Ontario in 1978; Youth Unemployment and the Ontario Economy, also in 1978, and, finally, that famous Pollock report, over and over again this government itself has commissioned good men and women in Ontario, many legislators from this parliament, to go out, ask questions and come back with recommendations.

I offer members of the government benches an opportunity to go back and read those reports, as I have read them. Every one of them is in the legislative library. Those reports consistently came up with the same kinds of recommendations we are making in 1982 on behalf of the people we interviewed across Ontario. That really makes me wonder if, for almost 20 years, the Ontario government has known what the problem was. Good people have made very credible recommendations to it. Yet here we are in 1982 facing exactly those same problems and being told that the former recommendations obviously were not followed.

What is the result of that? As Darcy McKeough, the former Treasurer, said in 1978, two thirds of the youth unemployment in this province is structural. It is not connected with the upturns or downturns in the economy. What do we have today? We have 186,000 young people between the ages of 15 and 24 out of work as of May 1982. What does that mean? The first two weeks of our task force were spent interviewing some of those young people. We did it in the general area of Metropolitan Toronto. We visited two or three agencies right in Toronto, where we met with 10 and 15 young people each. We went out to Scarborough, North York and Etobicoke and interviewed them there. In all those cases we found young people who were very bitter, angry and frustrated.

As we moved across Ontario to Ottawa, London, Windsor, St. Catharines, Niagara Falls, Thunder Bay, Sudbury and Kitchener-Waterloo, wherever we talked to those young people, some of those 186,000, we got the same reaction: "We want to work. We do not want to be on welfare. We do not want to be collecting unemployment insurance. We want an opportunity to work." They were the first to admit they probably did not have the skills required. Therefore, the second comment they made to us was, "We want the opportunity to acquire the

skills that will allow us to do the jobs, even the jobs that are available.”

The Minister of Labour knows even better than I do that there probably are not 186,000 jobs in Ontario, even if we trained all those people. We are not suggesting that can be done overnight, but what we are clearly suggesting, what the people we met on a face-to-face basis all across Ontario suggested to us, is at least to make a beginning.

This was brought to our attention when we met some people in London, Ontario. We know that the automotive industry is moving more and more into the use of robotics. What they asked us was not who will design these things—because they will probably be designed in the United States or Japan, although it is to be hoped some of them will be designed in some of our universities and businesses—but: “Who is going to build them? Who has the skills to build these things? Who is going to install them in our factories? Who is going to maintain them once they are there? Who is going to change the various programs that will need changing as the requirements for robotics change?”

We do not have the people to do that. This is one small example of a need that we know is going to exist two or three years down the road. Yet we could not find any training centre anywhere in Ontario that was preparing people for that kind of technological skill.

That takes us right back to the incident we talked about before the dinner recess. Ontario Hydro had to bring 75 nuclear technicians from England to operate our nuclear generating stations. Why? Because Ontario Hydro and this government did not have the foresight to see that once they built those plants they would have to have skilled people to operate them. That seems fairly obvious, but for some reason they did not see the obvious.

Are we going to sit back and do the same thing now? Are we going to see what the need will be three or four years down the road and not train our young people to fill it?

One of the things we discovered about our young people as we went around the province was that there were certain myths about them: They did not want to work, they were not dependable when they came to work and they could not be relied upon to stay for a long enough period of time; if a training program was started, they left.

We checked all those out. There may be the odd case here and there where that is true. If we take any age group in Ontario, whether it is 15 to

19, 20 to 25, 25 to 40 or whatever, we are going to find a few people who fit that kind of categorization. But that was not our experience. We found young people in this province who want to work. We found that when they were doing work that was somewhat interesting and somewhat challenging, they did a good job, they were dependable, they stayed, they wanted to learn the skills and they gave a full day's work for a full day's pay.

One of the secondary school principals who talked to us about this problem said: “There has never been a time when more secondary school students held jobs after school hours. So don't tell me that the young people of this province are not willing and able to work; they are. All they need is a little encouragement and opportunity.”

I am aware that a few other people wish to speak in this debate tonight, so I will move ahead very quickly.

Hon. Mr. McCague: What does “somewhat interesting and somewhat challenging” mean?

Mr. Sweeney: I am sorry; I do not understand the question.

Mr. Speaker: Never mind the interjection, please.

Mr. Sweeney: I will take it under consideration and try to answer it later.

Mr. Kerrio: Take it under advisement.

Mr. Sweeney: Yes, I will take it under advisement.

One of the key recommendations brought to our attention was the need for industry in Ontario to participate in training programs. No longer can we stand aside in this province and allow industry to continue to import skilled workers. We have to train them ourselves. And let us not be fooled by the argument that it will drive industry out of the province.

8:50 p.m.

Considering where we have to start, obviously we will have to include incentives. We will have to provide some assistance to industry, because there is not that kind of history, that kind of experience in this province. A lot of industries have found that the easiest way to get a skilled worker is either simply to steal him or pirate him from the industry down the street or to ask the immigration department to bring somebody over from Europe. That has to change. We simply cannot stand aside and see our young people deprived of the opportunity to learn skills and therefore get the jobs that are going to

be available as the new technology comes on stream.

The second major area that was brought to our attention is the whole question of counselling, the need to upgrade counselling in the secondary schools, to be sure that the counsellors who are there have an opportunity to upgrade their own background in the needs of business and industry, that they have the time to sit down and do career counselling with the young people. The 400-to-one ratio that we have in most of the high schools in Ontario is absolutely ridiculous. It does not leave them any opportunity at all, or very little opportunity, to do any career counselling.

Finally, in the area of counselling—and this has come up time and time again in the reports I referred to before—the career counselling aspect must begin at the elementary school level. This does not mean we are going to ask some young gal or some young fellow to make a decision when he or she is in grade 5 or 6 as to what career he or she is going to follow; we do not mean that kind of career counselling. We mean a general overview and a general understanding of the world of work, the kinds of careers that are available, the kinds of aptitudes you need to handle those careers, the kinds of courses you are going to have to take to follow those careers; and not only students but parents as well. That is a very important aspect of our report.

A third issue that came up time and time again was the need to be sure that young people are taking the kinds of courses they are going to need to deal with the new technology. Once again we go right back to 1963 with this recommendation that we must strongly encourage our young people, and these are girls as well as boys, to take courses in science, in mathematics and in the communications skills—English or French or both, we hope. Those are absolutely fundamental.

To continue to allow young people in our schools to take only one or two courses in science, one or two courses in math and a very watered-down course in English, as many are doing, is just leading to their economic suicide. Time and time again we were told by young people themselves and by employers that young people were not able to take advantage even of some training programs that were available, because they did not have the necessary academic background.

Please let me repeat: We were told by so many people that we must also encourage our young women in secondary school to carry the

maths and the sciences, because a lot of the traditional jobs they formerly were attracted to are gradually disappearing, or at least the numbers required are declining all the time. If young women as well as young men are going to have opportunities for the new jobs and the new technologies, then they will need to have their maths and science backgrounds as well.

One of the new trends we discovered in a number of places like London, St. Catharines, Hamilton, Ottawa and Kitchener-Waterloo, to mention just a few, was the trend towards co-operative education while our young people are still in secondary school.

There are a number of distinct advantages to this. It allows young people to experience certain kinds of work to decide whether or not that is what they really want to do; it allows for a more realistic but more gradual transition from the world of school to the world of work, and it gives our employers a better idea of just what some of these young people can do.

In a number of cases it was brought very forcefully to our attention that it also assists some of those young people who were thinking of dropping out of school—and I would point out once again what is a well-known statistic in Ontario: approximately 40 per cent of the young men and women who start grade 9 in the secondary schools of Ontario drop out before they graduate from grade 12; and we were told over and over again that those young people, and we found this ourselves when we talked to them, are the ones who are most at risk.

One of the things we were really enthused about with respect to co-operative education and work experience programs at the secondary school level is that many of these young people who were going to drop out, who otherwise would probably have dropped out or who were thinking of dropping out, had new incentives to stay because they could see a greater relevancy between what they were doing in school and what they would be doing in the world of work later on. They saw a greater relevancy between the need for them to take their mathematics courses, their science courses and the need to have good communication skills. We would strongly recommend that be carried out.

Let me close by saying that, moving across Ontario, we found a lot of goodwill. We found many young people who were willing and ready to work, and willing and ready to participate in training programs. We found a lot of employers and others who were willing at least to try to participate in training programs.

There does not seem to be a lack of goodwill but there does seem to be clearly a lack of organization, a lack of planning, a lack of focus. I guess we can sum it all up: There was clearly a lack of leadership, somebody to put the whole thing together, to deal with our young people, schools, industry, helping agencies and to pull them all together and provide the kinds of assistance we have talked about.

There are 12 recommendations in our report. I have said it before and I will repeat it for this last time. These are not our recommendations but recommendations from the people we met across the province. I would sincerely hope that the government, particularly the Minister of Labour, the Minister of Education (Miss Stephenson), the Minister of Industry and Trade (Mr. Walker) and the Provincial Secretary for Social Development (Mrs. Birch) would very carefully weigh the implications of this report and not, I urge them, let happen to this report and the recommendations of this report what has happened to all of those other reports. I ask that they not let them sit on the shelf gathering dust. Going back to 1963, they were good reports. There are good recommendations in them, but they are not worth the paper they are printed on if the government does not act to implement them.

It has been said so many times it is almost becoming trite, but it is still so very true that our young people are our greatest resource. If we do not prepare them to take their place in our society, if we do not give them the opportunity to be fully participating members of this society, then we are going to reap an ill wind.

I do not know what is going to happen in this province. I know what has happened in other jurisdictions. I know what has happened in Brixton, England, what happened in Chicago and what happened in Detroit. We are talking about communities similar to our own. We do not want that to happen here. It need not happen here. But if we sit back and watch the young people of this province be economically disfranchised, then we will deserve whatever we get and it will not be good.

Mr. Speaker: The member for Cornwall.

[Applause]

Mr. Samis: Mr. Speaker, it is always nice to speak to a magnanimous audience such as has just congregated in the vicinity.

Before I speak on the budget and utter some of the things I am sure the good people of Cornwall would want to have their representa-

tive say about this budget, I would like to take this opportunity, since we are in the dying hours of this session, to pay special tribute to the member of the Legislature who announced today that he will no longer be with us. I am referring to the member for York South (Mr. MacDonald) who, despite my partisan instincts and affiliations, etc., has earned the respect and trust of every member of this Legislature.

I do not know anybody who is more dedicated. He has virtually dedicated his entire adult career to the cause of improving Ontario and especially the working people. He is a man who has fought against tremendous odds. He has tasted defeat on several occasions yet never has been decimated or depressed by the fact. He always comes back to improve on his fortunes and the fortunes of his party.

I have always admired him in the sense that he can continually go back to rural Ontario, despite our continuing lack of electoral success, because he is dedicated to the idea of conveying the message of the NDP, trying to find a place for rural Ontario within our party, which is not always easy, and trying to say there is something in common between the urbanites and the farmers of Ontario.

9 p.m.

He has walked a long, lonely road for more than 30 years, and I think it is a measure of the man, even though he is giving up his seat, that he is going to continue in that cause after July 31; he will continue to speak out in rural Ontario and try to give them a voice in the caucus of the New Democratic Party.

Even though the member for York South is 68 years old, if one took the actual efficacy and energy quotient of the members of this House, I think he would be near the very top for his untiring work, his enthusiasm, his boundless energy and his total unwillingness to accede to any defeat, any setback or anything of the sort. I think his departure will be a great loss to the Legislature and to the political process in Ontario, and I do want to pay tribute to this outstanding member.

In a sense, he is one of the last two members of this House of a certain generation who, no matter which issue or bill they get up to speak on, because of their travels, their experience, their knowledge and their total dedication to the political process, have a unique understanding of the psyche, the people, the mores, the customs and the history of Ontario in a way that in my seven years has been unmatched.

I refer, of course, to the member from York

South (Mr. MacDonald), and I think the only member who shares that unique stature in this House is the member for Brant-Oxford-Norfolk (Mr. Nixon), to whom I pay tribute as well.

I trust that the member from Brant-Oxford-Norfolk will take due note and remember that there are convivial facilities available for reciprocation.

Mr. Kerrio: Was it a fair draw?

Mr. Samis: We will see if he reciprocates. I know that Donald does.

Getting to the matter at hand, I want to talk about the budget. I know that the good people of Cornwall would want me to talk about what they think of the budget, because frankly it is not very much.

Before talking about the contents, I want to talk a little bit about the background to it and the overall economic climate. If one looks at it on a national scale, this country is in an unparalleled mess. In fact, my colleague the member for Downsview (Mr. Di Santo) and I were just reading the July 2 edition of *The Economist*, which has a five-page spread on the Canadian economic situation and an interesting headline, "Everybody is right, but what has gone wrong in Canada?"

Most Canadians, if not all Canadians, agree that economically we are in a mess, a mess unparalleled since the dirty 30s. If one looks at the interest rates, they are at an utterly obscene level; unemployment is at 1.5 million men and women—and these are not just working-class people but middle-class people as well, as we well know; bankruptcies are at a record rate and continuing with no sign of abatement.

There is a general depression of consumer confidence, not only about their own jobs and purchasing power but also about the economic future of the country. It reflects in retail sales as well. I think the declining dollar, even though some people may not fully appreciate the causes behind it, has sort of depressed people because they think that is a great symbol of confidence or lack of confidence. The fact that it has slipped below the 80-cent mark and now is down to 77 cents, I think in many people's eyes is yet another symbol of how far our economy has deteriorated in Canada.

This overall national malaise is naturally reflected in my own riding, where we are facing double-digit unemployment. We did rather well until about late 1981; we were below the national unemployment average, and we had made considerable progress in developing an industrial infrastructure and attracting new industry. The

people were proud of the progress we had made, because we had always been tagged with the aura of being somewhat of a depressed area, a backward economic region of the province. We were able to overcome that through the combined efforts of all three levels of government.

Today, though, the simple reality is that we are back to double-digit unemployment as a reflection of that national malaise of the recession. It is reflected first of all, as I have already indicated, in the unemployment figures locally. It is also reflected in the small business situation, where we have had increasing numbers of small businesses closing down and an aggregate of other businesses that are on the threshold of bankruptcy and closing down; and, of course, that means more unemployment.

It is interesting that if one takes even our stronger traditional industries—for example, our pulp and paper mill, the largest single employer; Courtaulds, our largest single textile employer; or Canadian Industries Ltd.—all three are having extended shutdowns this summer, something unheard of in the community in several years.

If one looks at our industrial park, which to many people is the avenue to recovery in our area, most of the plants in the industrial park now are on some form of work-sharing, and obviously that is not a good sign.

One of the new plants in that area, a welcome addition to the scene when it started, seven years ago, I believe, was a new, modern, efficient, technologically advanced textile mill that at its peak employed upwards of 300 employees. I regret to say that as of this Friday it will be closing its doors, which means, as I said, 300 men and women out of work. The people who invested their money—the plant is worth, they estimate, \$7 million or \$8 million—probably will be leaving town. These were people who were not from the community. They had invested money in the plant; they gave us the benefit of their entrepreneurial skills as well. It improved the work force; it gave opportunities, especially to many working women; but it is closing its doors.

That is just the tip of the iceberg in the local economic situation.

Things in Ontario overall are not much better, if one reads the papers. For example, the *Toronto Star* had an interesting series on the economic prospects for Ontario. The very first article is entitled "Problem-ravaged Ontario fights for survival." One paragraph, I think, is kind of interesting:

"Things are so bad that the Conference Board of Canada says the province has slid so far that it now ranks dead last among the 10 provinces in its prospects for economic growth next year."

It talks about the slump in Ontario and what that means. It says:

"If the slump continues, thousands of others in Ontario's 4.17-million-strong work force will lose their jobs as plants close their doors. Retail sales will plummet as consumers hoard their money, fearing even bleaker days ahead."

As the recession continues, it sort of mushrooms in terms of consumer confidence, etc., and some of the specifics of the situation paint a fairly grim picture of what is going on. I quote:

"The number of unemployed has jumped 42 per cent in the last 12 months. Nearly 69,000 workers lost their jobs in the last six months. There are fewer total jobs in Ontario now than a year ago, although more people are looking for work. The jobless rate will average 7.5 per cent in 1982, the highest level since World War II. It may never fall below five per cent for the rest of the 1980s.

"Personal and corporate bankruptcies rose in the last year and will continue their unabated increase this year. Economic growth will fall by 2.1 per cent"—get this, Mr. Speaker—"the worst of all 10 provinces.

"Real disposable income per person will plunge from nine per cent above the national average to barely two per cent. Labour productivity will grow at the slowest rate within the country until 1990. Retail sales will grow this year by barely 4.6 per cent, a rate slower than all the provinces except New Brunswick and tiny Prince Edward Island."

These are not exactly very optimistic or inspiring examples of what is going on in our economy. But I suggest that this is the real world; this is the actual situation here in Ontario. We may have been smug, we may have been self-centred and self-righteous in the past; but the simple reality is that we are in the midst of the worst economic recession since the dirty 30s.

That is the overall economic context in which the budget was presented. I want to cite very briefly some of the advice the Treasurer (Mr. F. S. Miller) was given by different economists before he introduced his budget in the Legislature.

9:10 p.m.

Ben Gestrin, the chief economist of the Canadian Imperial Bank of Commerce, was quoted in article in the *Toronto Star*.

"In an attempt to stimulate retail sales, which in turn would give industry a boost and help produce jobs, Gestrin advocates a temporary lifting of the provincial sales tax.

"'People would rush in and buy during this period,' he said. 'Ontario has always done this for cars and it has always worked very well. I think that this time around the whole retail area is very weak and it could be a more across-the-board kind of sales tax reduction.'" That advice, as we know, was ignored.

Greg Jump, associate professor at the University of Toronto department of political economy, said: "I really have only two messages for the government. Don't panic over the deficit, and put pressure on the federal government to change the tax structure and deal with inflation." Then he talked about the obsession with budget deficit.

Brian Gray, director of provincial affairs for the Canadian Federation of Independent Business, was quoted as saying that under no circumstances should the provincial government increase taxes. "A tax increase would only make matters worse. The economy is in such a downturn right now that they are going to have a worse deficit position regardless of what they do. So they shouldn't get into more costly programs to try and pull themselves out." Of course, that advice on the tax was totally ignored.

Another economist, Lorie Tarshis, senior economist of the Ontario Economic Council, was quoted as saying that the Treasurer should ignore his qualms about a growing deficit and stimulate consumer spending—get this, Mr. Speaker—by eliminating some provincial sales taxes.

"The tax cuts I would recommend would be to get rid of all the product taxes that don't have a real social justification. I would probably increase taxes on things like tobacco, liquor and gasoline, but the sales taxes that are only revenue-raisers should go. We tax things like shoes and boots simply as a revenue device and I think it is a lousy one simply because one of its effects is to raise prices. If we are fighting inflation, what is the point of that? There are better ways of raising revenue." That advice was ignored.

Finally, Alasdair McKichan, president of the Retail Council of Canada, had this basic advice for the Treasurer, as paraphrased by the *Star*: "Miller should concentrate on cushioning the blow for small business by offering hard-pressed firms short-term repayable loans at interest

rates four to five per cent below current market rates. The scheme would cost little, but would prevent many small businesses from going belly up and would help maintain jobs."

We know that most of that advice from economists with different backgrounds and different political persuasions was totally ignored in the budget.

We are faced with a budget, as everybody knows in Ontario, which raised taxes. It raised the Ontario health insurance plan premiums by 17 per cent, which means a 35 per cent increase in the past two years. Taxes on tobacco and alcohol, as everybody knows, were raised. Gas taxes were raised, not through a specific budgetary device but through the application of the old ad valorem principle, which means higher prices bring higher taxes in Ontario.

Everybody knows they have extended the sales tax to a variety of articles and items, including labour, and we all know about the sales tax being imposed on meals. It is interesting that while all those taxes were being increased, they froze the corporation tax by not applying certain provisions of the federal budget.

To the average family in my riding and elsewhere in Ontario, it means somewhere between \$150 and \$300 out of their pocket depending on whether or not they pay their own OHIP premiums. That was bad enough. Then our friend MacEachen in Ottawa imposes, virtually by a back-door deindexation of the tax exemptions, a \$123 burden on the average family.

Some families in Ontario are paying upwards of \$400 more as a result of the federal and provincial budgets combined. I suggest that in today's economic climate and with record unemployment, work-sharing, job insecurity and a breakdown in consumer confidence, the worst possible thing to do was to take that much purchasing power out of the pockets of ordinary working families rather than from the wealthy.

I suppose the most controversial provision of the budget was the retail sales tax. It is obviously the one that has received the most publicity from the fourth estate. It is interesting to note, before we get into the actual provisions of it, what has been happening in terms of where this government gets its money. I speak here in terms of sales tax versus income tax versus the corporation tax.

In 1960, for every dollar collected in personal taxes, \$1.79 was raised in corporation taxes. By 1982, and with this budget, for every dollar

raised by personal taxes, only 14 cents was raised by corporation taxes.

Since 1980, personal tax revenue has increased—

Interjection.

The Acting Speaker (Mr. Cousens): Order.

Mr. Samis: Is that the member for Niagara Falls (Mr. Kerrio), Mr. Speaker?

Mr. Kerrio: Wait; I will be back.

The Acting Speaker: He should speak from his own place.

Mr. Samis: Right. Since 1980, personal tax revenue has increased by 48 per cent while corporate tax revenues decreased by 21 per cent.

It is interesting to note that, as a percentage of budget revenues, corporate taxes have gone from 11.9 per cent in 1980 way down to 7.5 per cent in 1982, which represents a 44 per cent reduction, while personal taxes now make up 51.9 per cent, compared with 43.7 per cent in 1980, which represents an approximate 18 per cent increase.

If one looks at the comparative statistics for 1981-82, corporate taxes have decreased as a proportion of the provincial budget by 22 per cent, the sales tax component has increased by approximately 20 per cent and the income tax has increased by approximately four per cent.

Mr. Boudria: It's known as helping your friends.

Mr. Samis: That is right. In simple reality, what we have is the ordinary people paying more taxes through either sales tax or income tax and the corporations and the elite paying fewer and fewer taxes. The end result is we get a budget that produces taxes of this sort, and obviously that is good Tory philosophy.

Looking at the whole question of the sales tax, which seems to have aroused the most public indignation, I read a letter in last night's Toronto Star which I thought was rather interesting. The heading was, "Long-Time Tory must speak out." It is from the July 5 edition of the Star. I am sure the members opposite would like to have the whole thing quoted without any summation.

Mr. Kerrio: Will you start over again?

Mr. Samis: For the benefit of the member for Niagara Falls, it says:

"As an active, card-carrying Conservative supporter (for 18 years at all local levels), I feel it is finally time to speak out.

"I declare no interest in the food industry, except as a consumer of it. This new Ontario

sales tax on prepared food is definitely the most ridiculous and politically damaging idea to be instituted into a government budget to date. Is Queen's Park so confident of support that it would risk such public hostility?

"Who in the party cooked up this idea? Worse yet, who had the stupidity to incorporate it into our present Ontario budget? 'Sin Taxes'...are one matter, but nutritious meals are quite another.

"Healthy, well-fed taxpayers generate more healthy tax revenues, don't they? And isn't that the name of the game, ultimately? I'm really beginning to wonder about Queen's Park.

"The public will not long endure this tax without future political repercussions. Best buy seat warmers for the other side of the House, gentlemen; if this food tax isn't repealed, you'll need them.

"As well, I can't see Info-Ontario (our tax-paid propaganda organ) helping to pull the party's buns out of the oven on this one. Enough said.

"S. Campbell, Mississauga."

There is a good, loyal, long-standing Tory who cannot stomach this budget.

There is another interesting letter addressed directly to the Treasurer from a gentleman in Kapuskasing. It is too bad our good friend is not here. He would probably learn something from it.

Just so he can track it down, it is written from 42 Brock Crescent, Kapuskasing, and is dated May 27, 1982.

"Dear Mr. Miller:

"Taxing the common people and the poor for the benefit of the rich is a very old tactic that really works to create a climate of 'bleeding for the cause.'

"In the latest provincial budget, you have cleverly avoided taxing the multinationals, internationals, banks and insurance companies, many of whose origin, transferability of expenses and income it is impossible to follow.

"Subsidizing the functions of multinationals, banks and insurance companies at the expense of the common people is unfair and detrimental, inflationary, and it increases unemployment at the expense of directing the multiplier effect towards and for the benefit of the corporations, banks and insurance companies.

"Surely you must see the statistics and observe that it is the transactions of the above parties and not the expenses of the common people that

are responsible for the provincial deficit and loss of revenue.

9:20 p.m.

"Are there that many fringe benefits to the members, key supporters of the Big Blue Machine, to cause you to take the extreme position that was hinted at for a good number of years? The basic law of life, economically and socially, 'Do unto others as you would like them to do unto you,' also applies to finance ministers and leaders of multinationals, banks and insurance companies, whether they be foreign or Canadian.

"What control the multinationals, banks and insurance companies do not already have over the people, this provincial government gave to them by taxing labour costs. This is a devious move to perpetuate the throwaway society mentality as well as make us, the people of Ontario, even more dependent on corporations for goods and services we would be doing for and by ourselves.

"We want real growth, not apparent growth, and that means dealing with root causes and not playing around with the symptoms.

"Your taxpaying citizen, D. Kucheran, Kapuskasing, Ontario."

I think many members got that one; and it did enter the records of the House as well.

I suppose that one of the more controversial items for the general public was the tax imposed on meals. I know all members are aware that we have a select committee which is actually hearing the briefs representing different groups in the province. One of the interesting ones I noticed was from the Ontario Restaurant and Foodservices Association. I thought their comments on the tax were interesting and quite relevant. I quote from page 4 of their brief:

"The tax was ill-conceived and poorly implemented. It should be rolled back for the following reasons:

"1. The tax discriminates against people who must eat basic meals away from home: students, workers, employees of essential services and those living without cooking facilities.

"2. The tax is inflationary and regressive. It hits the little people in our society who can least afford it . . .

"3. The tax is unique in Canada. Ontario is the only province to tax low-priced meals."

I think it is rather interesting to take a look at the comparisons. British Columbia has no tax on food. Alberta has no tax on food. Saskatchewan has no tax on food—

Mr. Kerr: That's the Tory government.

Mr. Samis: That's all from the New Democratic Party, and the member knows it.

Manitoba has a five per cent tax only on meals costing more than \$6 and no tax on takeout meals. In Ontario, we all know the budget. Quebec has a 10 per cent tax on meals costing more than \$3.25; on meals costing less than \$3.25 there is no tax; on take-out meals there is no tax under \$3.25. New Brunswick has an eight per cent tax on meals costing more than \$2.01 and on all take-outs. Nova Scotia has an eight per cent tax on restaurant meals costing more than \$4 and no tax on take-outs. Prince Edward Island has a nine per cent tax on meals costing more than \$2 and on take-outs costing more than \$2.

Mr. Kerr: Oh, nine per cent.

Mr. Philip: You see what happens with a Tory government.

Mr. Samis: Newfoundland, another Tory government, charges 11 per cent on meals costing more than \$3 and 11 per cent on take-outs costing more than \$3. It is interesting that Ontario is the only province that imposes a tax on meals at that level.

The fourth reason the association argued against the tax is: "4. The tax is reducing opportunities for students, youth, women and unskilled workers who enter the work force through the food service industry."

I think they estimate that a loss of 7,500 jobs is implicit in the budget, and I am sure my colleague the member for Bellwoods (Mr. McClellan) is concerned about those jobs.

"5. The tax discriminates against eating establishments which must compete against other businesses selling identical products on a tax-free basis."

I think the member for Port Arthur (Mr. Foulds) demonstrated this rather well when he sent some freebies over to the Treasurer. They included yoghurt, apple juice, an apple and milk purchased not in a restaurant but in a supermarket and totally nontaxable.

"6. The tax has been poorly implemented with confusing, conflicting and vague directives from the Ministry of Revenue.

"7. It has created massive collection problems for thousands of food service operators as well as inconvenience and irritation for patrons.

"8. The tax hits the most vulnerable sections of the food service industry, unlicensed restaurants and take-out restaurants."

It is kind of interesting. The report points out that 78 per cent of the meals served in Ontario

are for less than \$6. They estimate that the tax will generate \$170 million, but it will also mean the loss of 7,500 jobs.

They give an example of the confusion that has been going on in the Ministry of Revenue. Let me just quote a few paragraphs to illustrate:

"Initially we were told that all food sold by eating establishments would be taxed. Then we are told six or more doughnuts for takeout would be taxed. At one point three or more cream-filled doughnuts were tax-free. Two days later they became taxable. Even when we get a ruling, the rationale escapes us. If six doughnuts for takeout are tax-free, why not six sandwiches, or why do the six doughnuts become taxable when the purchaser includes a cup of coffee?"

They talk about other examples. They talk about the liquor licence restaurants grappling with a two-tier tax system—seven per cent on meals, 10 per cent on alcoholic beverages—and if they have accommodation it is at five per cent, there is a third tier on the rooms as well. They say: "The introduction of a multi-tier tax system is further evidence of the incomprehension and insensitivity toward our business. It increases the time required to calculate guest checks and is highly susceptible to incorrect calculations by service staff." These are the people affected in the industry. That is what they think of that aspect of the budget.

There was an interesting brief presented by the Canadian Truck Dealers on the economic implications of the overall sales tax. They talked about how the sales would affect their industry:

"The imposition of this tax will reduce dealers' service by approximately 25 per cent. Our research to date indicates the following will happen to Ontario's revenue. The large fleet owners will simply decide to have all their repairs done in their own shops . . . or they will go out of the province, while small fleet owners will probably utilize empty garages and mechanics who moonlight. This will cause the government to lose sales tax revenue and the income tax on this type of moonlighting business.

"There will be approximately \$155 million worth of retail labour to be performed over the next 12 months by the group we represent in Ontario. The retail sales tax on this work would amount to about \$10.8 million. Twenty-five per cent of this business . . . will be lost to us as a result of fleet owners doing their own repairs. The net result on that segment would be some \$2.7 million in potential tax revenue lost to the province.

"This lost business will result in 200 heavy-

duty truck dealers laying off an estimated minimum of three mechanics each, or some 600 people in total. Assuming an average wage of \$22,500 each, there would be a loss in income taxes to both Ontario and the federal government of some \$3.3 million."

They talk about further layoffs of some 400 people and say: "Because there is a surplus of these people in the marketplace, they will not quickly be re-employed and the tax loss to both federal and provincial governments from personal income tax would be another \$2.25 million . . . In summary, to collect between \$7.5 million and \$8 million in tax revenue, it will likely cost the government some \$8.7 million in lost revenue." That really makes sense. We are trying to collect that amount of money and we are losing that amount of money, plus the jobs as well.

It is interesting to talk about meals. The original rationale for the \$6 level was outlined in 1977 by none other than the Duke of Chatham-Kent, Lord Darcy himself, and I quote from the 1977 budget: "Ontario has over the past few years increased the level of the retail sales tax exemption for prepared meals so that residents and visitors alike are able to purchase essential meals free of tax. At the same time, the levels chosen have ensured the continued generation of revenue from the more elaborate high-priced dinners. In continuation of this practice, I am proposing a further increase in the level of exemptions to \$6. This change ensures that all basic meals will be free of tax."

Darcy McKeough was never accused of being a bleeding-heart Liberal, a raving Socialist or anything of the sort. He was a tight-fisted, good old true-blue, southwest Ontario Tory. This was in 1977. If one applied those figures today, if one talks of five years ago, one is talking of an inflation rate that probably would total about 45 to 50 per cent. That means if Lord Darcy were writing the budget, the exemption would be around the \$9 mark. But the present Treasurer abolishes the \$6 limit and, in effect, brings it down to zilch. This is the former leading exponent of Tory philosophy in terms of the economy, even that has been rejected in favour of this nefarious and nebulous budget.

Mr. Haggerty: What about Fraser Kelly?

Mr. Samis: Fraser Kelly would be another one, if my friend wants to take him.

9:30 p.m.

It is bad enough that the government has imposed a sales tax and applied it to meals, but I

think the inclusion of certain essential women's items verges on the ridiculous and the obscene.

They tell people, "If you buy a car, a TV set or a new suit, you will only pay seven per cent, but if you happen to be unemployed, on a fixed income or you are worried about your future and you get your car or your TV fixed or get your suit repaired at the tailor's or the cleaner's, you are going to get zapped for seven per cent."

It makes a lot of sense in today's economic climate to penalize people who cannot afford to buy new products, who must get things repaired by applying the sales tax to those items.

We all know about the tax on school supplies which is incredible.

This is a government that preaches energy conservation, yet we are taxing all sorts of conservation devices, such as storm windows and doors. We ask people to save energy by taking public transit, yet we are applying the tax to public transit vehicles, such as buses, which means transit authorities will have to pay more.

In terms of the sales tax being applied to meals, obviously, the first choice would be to raise the taxable amount and restore it to its original position or level of \$6. Failing that, surely a reasonable compromise would be the \$4 level.

Surely it makes sense that any of the women's items that were declared taxable must be restored to the original exempt list. That is just basic human decency and common sense.

Third, in view of the economic situation, surely we should eliminate the labour tax component altogether.

Fourth, we should make some changes on the confectionary tax exemption. Some may want it as high as 75 cents, but I would be prepared to live with an increase to 50 cents or in that range, like most other provinces in Canada, and not be the most niggardly, mealy-mouthed province of all by reducing the exemption to 21 cents.

Fifth, I would suggest that if the Treasurer is looking for sources of revenue, he should look at all the tax privileges and giveaways he and Lord Darcy have incorporated in the budget for the past five or six years.

I would make eight specific suggestions: We could tax the 50 per cent of capital gains that are untaxed, which could realize a possible \$75 million; tax 50 per cent of the personal capital gains untaxed at present, which could realize \$150 million; reimpose the retail sales tax on production machinery and equipment, which could realize a possible \$240 million; impose a limited succession duty on the wealthy, not the

ordinary people, for a possible \$75 million; eliminate the accelerated capital cost allowance which might realize \$110 million; eliminate the inventory evaluation adjustment for a possible \$73 million; eliminate the dividend tax credit for a possible \$186 million; and increase the corporate tax by two percentage points, which would realize \$110 million.

All told, if we implemented all eight of those changes, we would realize \$1,019,000,000 more in revenue for the government of Ontario. But of course the Treasurer will not touch any of those because they represent his friends at the Albany Club, those on Bay Street and the big boys.

We all know that with majority government this budget will pass despite the charade of the committee sessions and the debate. I think it is interesting to note that on the unique occasion when people in Ontario had a chance to speak on the budget, to approve or not approve it, they voted decisively to reject it.

I refer to the election in Hamilton West where the main issue of the campaign was the Treasurer's budget. I think it is safe to say that before the budget the Tory candidate was the favourite. Most people said he was a heavy favourite. But as soon as the budget was introduced, as soon as it became the main issue, everything else became secondary. The people clearly and demonstrably sent a message to Queen's Park and said, "We do not like that budget; we do not think it is a fair budget; we do not think it is a good budget and we do not want a Tory representing us."

Because of other factors, they rejected the Liberal candidate. I would suggest it was because of the federal connection. They elected our good friend the member for Hamilton West (Mr. Allen) to represent them. The message was clear. They did not buy this budget and they were not going to accept it.

Another tax in the budget is the Ontario health insurance plan premium tax which is up by 17 per cent. That represents a 35 per cent increase over the past two years. Before the previous budget, we had the highest medical care premiums in all of Canada and now we have increased them by 35 per cent. That rate of increase is greater than any other province that still has medicare premiums.

It is interesting to note those increases in the premiums came after last year's election and all the propaganda about keeping the promise. Every time the OHIP premium is increased, even for people who have it paid for them it means higher costs, for the employer, for the

municipality or for the school board. In the case of the last two, that inevitably means higher costs which are passed on to the taxpayers in the form of higher taxes.

I suggest it is time we reform the whole system of OHIP premiums and get in step with the seven provinces which do not rely on a premium system and which finance the plan out of general tax revenues.

The Treasurer likes to talk and brag about what his budget did for small business. He talks with great gusto about a two-year tax holiday and how this is such a great benefit to small businesses in Ontario. Of course, he does not like to talk about the fact that two thirds of the small businesses in this province are not even incorporated; therefore, they are not even eligible for the tax holiday. He does not like to talk about the record rate of bankruptcies among small businesses. If the present rate continues, we are talking in terms of 16,000 jobs lost this year in Ontario in small businesses.

If the Treasurer likes to brag about what his tax holiday means, the end result is that between the bankruptcies and his tax we will have a net loss of 6,000 jobs. What is the priority: giving them a tax holiday or helping them meet interest rates and slumping sales? We in this party have advocated a plan of assistance to help small businesses cope with the crushing burden of high interest rates.

In terms of job creation, the budget was pure window dressing. It only created 31,000 temporary jobs at a time when we have 1.5 million people unemployed across the country and over 400,000 in this province. In eastern Ontario, for the second consecutive year it offered virtually no new incentives or programs.

In terms of industrial strategy, it offered no new guidelines, incentives or ideas. In terms of import replacement, whether we are talking of mining machinery, food processing, electronics, high tech, it offered no new real programs whatsoever. It obviously offered no real stimulus for consumers; if anything, it increased the burden on them as far as rental housing is concerned and offered no new incentives.

It is interesting that Quebec, which has a terrible economic situation, was still able to come out with a major program to stimulate its manufacturing sector. Part of that program represents a \$200 million investment by the Quebec government in small and medium-sized manufacturers.

It is a joint program worked out with the chartered banks through its development cor-

poration, guaranteeing two thirds of a company's loan from a chartered bank and paying three quarters of the interest cost between 10 and 25 per cent. We do not see anything like that in Ontario.

In terms of my own riding, I must again express my reservations about the government's feasibility program in Morrisburg to try to determine the value of a possible resort hotel. I think that is the last thing the small businesses, especially the tourist businesses, in that area want or need. For some of them it would probably mean curtains.

In Cornwall, we are still struggling to get a major hotel chain to erect the hotel it had promised downtown. It has been two years since that was approved and nothing has happened because of the interest rates and the general economic situation. To have one in Morrisburg would obviously cancel out the one in Cornwall. It does not make sense.

If there is one thing we need locally, I suggest it is time for the government to consolidate in one building the various services it offers and its offices in Cornwall. The federal government has now made a final decision to erect a building in the downtown area to consolidate all its services and offices in one building. I suggest it is high time for the government of Ontario to start doing the same thing and to end this hotchpotch, this mishmash of services and offices scattered throughout the region.

Our party has offered alternatives to the budget. I am proud to say the alternatives were offered before the budget, not after it. We offered various proposals on mortgage moratorium; interest rate assistance for home owners, tenants, farmers and small business; protection for workers affected by layoffs and plant closings; community adjustment funds to aid communities to create new economic opportunities; a fair prices commission to protect consumers from unfair practices; programs to raise living standards for those who depend on social assistance; increased child care; assistance in funding a housing program and a residential conservation program.

9:40 p.m.

Sometimes the Premier likes to twit and taunt us about not being concerned about the cost of living. We have expressed some concern and at least some alternatives. I do confess there are limitations to what a provincial government can do, but surely there are things on which we can take action that are purely within the provincial realm; such as, effectively controlling utility

and energy price increases for Ontario Hydro and Consumer's Gas. The government should stop hiding behind the smoke screen of the Ontario Energy Board and stand up for the consumers of Ontario and do something. It should stop letting Hydro gouge people with propositions of a 54 per cent increase, massive borrowing and a ludicrous \$10-billion nuclear expansion at Darlington.

Surely we can do something to reduce interest rates within the provincial realm. Surely we can do something to limit the use of sales and energy taxes that are purely inflationary. Surely we could do something to limit certain corporate price increases and curb speculation in property and real estate. Of course, if this long-entrenched government wanted to, it could do something about rooting out waste, inefficiency and duplication in the government; which brings me to the whole question of the deficit in the budget.

Naturally, in this party we do not regard deficits as inherently good or bad. I think most people in the province do not. They would assess it purely in the context of what the deficit is being used for. I would suggest that the \$650-million investment in Suncor is probably the single stupidest, most unpopular economic action taken by this government in the past 30 years.

If they had the guts to have a free vote on the other side about whether they support the Suncor investment, I bet it would not get six votes out of the 70. We all know \$650 million is not the real cost because a lot of this money is borrowed and the ultimate cost probably would be over \$2 billion. So when there is a deficit to pay for such—

Mr. Shymko: Stupidest? What grammar is this? Where is your English language?

Mr. Cassidy: It's perfectly clear.

Mr. Shymko: Your party was willing to take it over totally and pay for 100 per cent of Suncor.

Mr. Samis: The member should get in his seat. When a deficit is involved to pay for such stupid investments as this, obviously, that is not a worthwhile investment.

I think I am interrupting the member for High Park-Swansea and I would not want to do that.

Mr. Shymko: Tell us about Inco. If you had your way you would nationalize Inco.

The Deputy Speaker: Order.

Mr. Samis: I wish the member would go back to his seat and then we could engage in dialogue

legally, above board, the way he would like to do.

I am sure all the members have read the poll in the *Toronto Star* about the Suncor purchase. Obviously, the people of Ontario province-wide have rejected it decisively. We had almost 2,000 respondents to a poll we did in my own riding. The simple question was, "Do you agree with the government's purchase of Suncor?" The result was 70 per cent of the replies said "No" and a massive 15 per cent said "Yes."

I would suggest that the Suncor investment is one of the worst investments any government in Ontario has made in this century. That was compounded by the almost obscene use of public funds to buy a luxurious jet that none of us has ever seen and maybe some of us will never see in the province.

This government squanders almost \$30 million annually on advertising, most of which is designed to help keep the government in power, soften up the electorate and sell some of their programs to make themselves look good rather than provide any information, education or form of enlightenment for the taxpayers of Ontario.

With the staggering burden of interest rates and mortgage rates, surely this government would do something to help home owners, small business and farmers. Yet the budget was a zero for those three groups.

Sure, they helped the new, first-time buyers. But what about the thousands and thousands of families that are trying to cope with 19, 20 and 21 per cent mortgages? What about the businesses on the verge of going under, that are not incorporated, that are not making money and are just trying to survive? What about those farmers, other than beef farmers, who are trying to survive and pay those staggering interest rates and rapidly rising capital costs? There was no help in the budget for them.

Some people seem to think there are fall guys in situations. The first thing is to blame everything on the feds. Trudeau is unpopular, so shove it all on the feds. Some of them, including the Minister of Industry and Trade (Mr. Walker), like to use other whipping boys. He likes to blame the Foreign Investment Review Agency and the national energy policy, and to say those are the great bugaboos of our society and our economic growth in Ontario.

That is pure garbage. I think David Crane in the *Toronto Star* did an excellent article. He looked at where the recession was really setting in in the main industries in Ontario. I think he

singled out mining, autos, construction and forestry as four key industries. He pointed out that in all four of those industries, FIRA had not one iota of impact on their current economic situation. Take cars, for example. Would anybody suggest that the depressed state of the auto industry is in any way related to FIRA? Obviously, nobody in his right mind would. The same thing applies to construction and forestry.

It is time for us in Ontario to stand up and reject any form of Reaganomics. I know the Treasurer (Mr. F. S. Miller) at one stage basked in the glory of the Reagan victory and said: "Yes, that's where we should be going in Ontario. We should take a turn to the far right." His colleague in Industry and Trade suggested the same thing. Now the Treasurer has backtracked a little bit. Look at the results in the United States: massive unemployment; inflation rate back up to 12 per cent.

I always have a chuckle when some of these Conservatives go around ranting and raving about the glories of a balanced budget. The Treasurer and Ronald Reagan have produced the largest deficits in the history of either Ontario or the United States. Yet they both continue to talk about the glories, the value, the virtue and the ultimate nirvana of a balanced budget, as if they would ever achieve it. Let us get realistic. Let us reject this idea of the government as the enemy of the people, let us reject the idea that balanced budgets are good in themselves, and let us totally reject the idea that we help the rich by attacking, taxing or depriving the poor and the working class people.

Some people think the solution or the panacea is to jump on the MacEachen bandwagon right now and implement provincial wage controls. It is attractive to some people because civil-servant bashing can be a popular sport. In a few cases the civil servants—I suppose the postal workers, for example—are not entirely without blame in creating public animosity and public hostility.

Mr. Boudria: Did Jean-Claude Parrot hear you say that?

Mr. Samis: Let him hear me say that. I don't care.

Even the business community, though, is opposed to the idea of price and wage controls in general. Everybody knows they are not fair. I think hardly anyone would suggest the last experience, with our friends Beryl Plumptre, Jean-Luc Pepin and Harold Renouf, worked anything special for the country or was very

effective. How do we tell somebody who sweeps floors in a hospital or just helps out that he should be zapped to a six per cent level, when he sees the doctor who got a 34 per cent increase walking by? How do we justify that to someone at the lower scale? Or take the example of the civil service. When somebody who is a deputy minister, an upper echelon or something gets a six per cent increase, if it is six per cent of \$50,000 versus six per cent of \$12,000, it obviously is not fair.

Hon. Mr. McCague: That is not fair.

Mr. Samis: The Chairman of Management Board of Cabinet says that is not fair. He knows selective controls are discriminatory and they are not fair. Anybody who judges controls on the basis of equity would agree. They have never been fair. They are simple, they are arbitrary, and they are sometimes used as a panacea. The Premier (Mr. Davis) himself has preached against them and says, even today, he does not support the principle. He has backtracked a bit, but he admits they are unfair, selective and discriminatory. He knows that.

9:50 p.m.

In winding up, I want to say times are tough. I think people realize that. I think they are prepared to share the burden equally. Even my colleague the member for Downsview (Mr. Di Santo) would agree with that. There are no easy solutions or simple fixes. Any politician of any stripe in any province or jurisdiction who suggests there is a simple solution or panacea is a liar, a hoaxer, a hypocrite and a fraud.

We live in an obviously interdependent world. As elected officials, we have a responsibility to protect the interests of the ordinary people, provide for a fair tax system, provide a basic form of security and shelter for the less fortunate, and give them an equality of opportunity to succeed, to venture, to grow and to prosper.

This budget was unfair, inequitable and regressive to the ordinary people of Ontario and it deserves to be rejected.

Mr. Williams: Mr. Speaker, I always look forward with great expectation to the opportunity to participate in the budget debate. There is nothing that gives me greater joy than to have this opportunity to come in and extol the virtues that are put forward by the provincial Treasurer on an annual basis.

I have had the privilege in the past seven years to be able to participate in the budget debate and on each and every successive occasion it has always been a greater joy than the preceding

one because each budget is more imaginative, more realistic and more suited to the times.

It is amazing that this government—and it is the secret as to why we have been the government in power for over 40 years—has been able to come forward with realistic, responsible and responsive fiscal policies. This budget is no exception. To be able to say that under the trying economic circumstances of our country today, is something indeed.

I think all members of this House were amazed to find the budget that was brought forward was so moderate and so positive, considering we were experiencing very difficult economic times on a provincial, national and global basis.

One of the reasons I get a great deal of joy out of being able to participate in the budgetary process is that, to sit in the House and listen to the debate on the budget from the members of the opposition and listen to the continual litany of gloom and doom, is something that can make one somewhat depressed.

They are dealing in the realm of unreality and so often their posturing and criticism, which is their role to perform in this House, if it were not taken to excess could sometimes be construed as having some positive aspects to it and might even be listened to on occasion.

But when one hears some of the rantings, ravings and ramblings that go on in the Legislature by the opposition parties over the budgetary process and the budget put forward by the Treasurer (Mr. F. S. Miller), one does have cause to want to have an opportunity to be able to respond and put things back into reality, into perspective and do a realistic assessment of the budget that has been brought forward so we have a better and more comprehensive understanding of the budgetary process.

I would like to start by looking at the main features of the budget that was brought down by the Treasurer in May because I think they will demonstrate clearly that once again our Treasurer has been sufficiently nimble and astute as to be able to weave together a masterful budgetary document that recognizes the difficult times being experienced by the people and businesses in this province and the negative impact of those circumstances on our economy.

The Treasurer might have been encouraged to simplify the process by broadening the deficit of the government, to prime the pump to excess and try to create a fantasy that everything was right in a world where things are not so easy today. But the Treasurer was more realistic than

that. He realized there had to be some modest readjustment to the deficit financing in order to offer assistance by creating real job incentives and not make-work programs.

He realized there was a need to restore confidence in a society and in a business community which was completely devoid of confidence, given the activities which took place previously in Ottawa. One of the reasons his budget was delayed this year was that he kept waiting and hoping that the federal Minister of Finance would finally see the light and recognize that the disastrous budget he brought in last November required more than patchwork attention, that in fact it required major restructuring and a completely new budgetary presentation.

Our Treasurer could wait only so long, recognizing that our fiscal period commenced on April 1 and that normally he would introduce his budget during the first two weeks of April. He delayed for a full month and, understandably, felt he could wait no longer.

It was difficult for him to have to bring forward a budget in the knowledge that sooner or later the federal authorities would have to readjust their positions, because it would have been easier for him to adapt his budgetary considerations to a more realistic federal fiscal arrangement. That was not to be, unfortunately. It came after the fact. And even after the fact there is no joy in Mudville tonight as far as the federal budget is concerned.

The interesting thing is that never in recent decades have I heard the business community speak out so clearly, so loudly and so specifically in comparing federal budgetary policies to provincial budgeting as carried out in Ontario. Never has the business community been so compelled to speak out objectively in the way it has with regard to these two budgets that are before the people of this country today.

In each and every case, without exception, the comparison has shown the federal budgetary process to have been totally negative and out of tune with the times, while the provincial budget was found to have been designed in a positive, constructive fashion that was realistic and recognized that support had to be given in a very positive and constructive way to the private sector.

10 p.m.

Mr. Wrye: That is not what I have heard down in the committee for the last two weeks.

Mr. Williams: I will come to that very shortly, because it has been most interesting and I think

it is rather significant that for the past half hour we have listened to the member for Cornwall (Mr. Samis), who I do not think graced that committee with his presence during its hearings. I think he did look in the door one night; most of the members of his caucus have drifted in and out from time to time looking concerned and showing that there was some concern about the legislation before the committee for consideration, but I do not think the member for Cornwall was one of those concerned members.

However, notwithstanding that fact, it was interesting that he stood here for half an hour this evening reading from briefs that had been submitted to the committee, selective readings that seem to suggest there are some difficulties with the legislation.

There is no question that the selective readings he brought forward before the committee were obviously those prepared by those with vested interests and those people who previously had not been subject to any retail sales tax but obviously now were being impacted on and understandably would be before the committee to object.

But it is interesting, and I would like to come to the point raised by the member for Windsor-Sandwich (Mr. Wrye) suggesting that he had not heard anything positive about Bill 115 since the hearings started. I do not know where he has been; I know he came into the meeting once or twice and had a few words to say. Four times, he indicates. I am getting the message.

Mr. Wrye: Thank you. I am not a member of that committee.

Mr. Williams: He had a few relevant questions to ask, I think. They were more relevant than those coming forward from the members from the Ottawa Valley, the two of them, who seemed to be caught on a broken record continually referring to Suncor as the only question they can seem to relate to; and how that relates to Bill 115 I have yet to understand. But they seemed to be on one track, and it is one not relevant to the hearings of the committee.

I think it was refreshing to hear from the member for Windsor-Sandwich, because at least he was on point and I have to give him credit for that. When he comes to a committee at least he sticks to the subject matter before the committee, and I think that is a credit to one of the newer members of that caucus. I think the senior members of that caucus, who are so devoid of talent to get to the subject matter of the issues before them, have to engage in derisive comments and slurs rather than dealing

with the issues at hand. But I give the member for Windsor-Sandwich credit; he is doing a credible job.

He was in the committee. But because he is not a member of the committee, he was not there when some of the major briefs were presented that the member for Cornwall just happened to overlook, perhaps because they were not fed to him tonight by his colleagues. So he does not even understand or appreciate the fact that a number of very major briefs have been submitted that were very complimentary to the budgetary positioning of this government.

Mr. Samis: Which one?

Mr. Philip: Name them.

Mr. Williams: I was just waiting for that lead-in. I am just delighted that I was asked to name them because, seeing as how the member for Cornwall took up to better than half an hour presenting selective readings to the House, I am going to come forward with the particular briefs that were much more meaningful and substantive and that I think give a much clearer picture of what is really happening with regard to the public perception of the budgetary process here in Ontario.

I must point out as an example that the Toronto Home Builders' Association sent a letter to the Treasurer. This was before the committee hearings. I will come in a moment to the briefs that were before the committee, just to enlighten the member for Cornwall. But it is interesting to see a letter dated May 20, 1982, from the Toronto Home Builders Association to the Treasurer. I will quote just two paragraphs from it.

"Congratulations on the presentation of a budget which shows leadership and stimulates the economy. We in the housing industry are pleased to see the interest the Ontario government has taken in housing. The renter-buy program, as well as the other programs that have been introduced by the Ministry of Municipal Affairs and Housing, are positive and a definite aid to the housing industry."

Mr. Boudria: What has that got to do with the committee on the sales tax?

Mr. Williams: "I appreciate that the provincial government has shown some leadership in this regard and hope that at some point similar leadership can be shown at the federal level." I hope they do not hold their breath. "Again, your interest in the housing industry and the leadership you have taken in stimulating the overall economy will improve consumer confidence

and start an economic recovery which is much needed."

That is from the Toronto Home Builders Association. Let us look at a letter from the Canadian Organization of Small Business, dated May 27, also addressed to the Treasurer.

"Your budget of May 13 is a very thorough and commendable piece of work. Given the restraints within which you must operate, and the options open for your consideration, you have made an excellent start on the difficult road to economic recovery. "The Canadian Organization of Small Business wishes to express its particular appreciation for the openness with which you heard and met our greatest concern and priorities."

I must interject here because again and again, in the committee and elsewhere, people have clearly shown the different attitude taken by our provincial Treasurer and the way in which he has an open door to the various sectors of our business community to consult with and to listen to those people about the budgetary process before bringing in his budget.

Again and again, the businessmen complained that they could not get in the front door or even the back or the side door to talk to Mr. MacEachen. He would not talk to them when he was preparing his budget. His mandarins knew all the answers; he did not have to talk to the business community. Not so here in Ontario; this is very much a part of the budgetary process and no province in Canada does a better job at it than right here in Ontario and no provincial Treasurer does a better job of it than our own provincial Treasurer.

That is a very significant part of the budgetary process, a very positive open-door attitude. It is because of it that our budget was a realistic one. The Treasurer listened to all sectors of the business community and from that he shaped a realistic budget designed for the times.

Mr. Wrye: Did he talk to the municipalities?

Mr. Williams: If I might continue, with regard to the letter—

Mr. Boudria: Did he talk to the poor before taxing them?

Mr. Wrye: Did he listen to the municipalities? Read us something from the Association of Municipalities of Ontario.

The Deputy Speaker: Order, please. The member for Oriole has the floor. He is allowed the opportunity to participate in an exchange.

Mr. Williams: Continuing with the quotation

from the letter from the Canadian Organization of Small Business:

"Your avoidance of personal income tax increases and the steps you took to mitigate the devastating effects of the federal budget through the elimination of the income tax on small business should be of considerable benefit to companies which may be in a position to expand and create new jobs."

Again, I must interject. I see the member for Cornwall has left the chamber. I guess he could not face up to the realities of the situation and hear the good news. He is so intent on bringing gloom and doom to these hallowed halls that he does not know how to react to good news for a change.

What I really wanted to do was to come specifically to those briefs that were and are being presented to the resources development committee which completely contradict the selective readings brought to the House this evening by an uninformed member who has not participated in that committee discussion and debate and who has not really heard the presentations, but has simply been handed these particular briefs that have been presented to the committee. Undoubtedly, certain sections have been circled in red pencil and he has been reading them off faithfully here this evening, as he has undoubtedly been instructed to do.

10:10 p.m.

Let me put it back into clear perspective, because I want to come to the submissions that were made by some of the very meaningful organizations, in that they are most representative.

I will turn first to the submission made by the Canadian Manufacturers' Association. This is a document that was included in their submission dated May 26, 1982. It does an overview of the budget in a very realistic and thoughtful fashion. In conclusion, the Canadian Manufacturers' Association states as follows:

"The CMA commends the Ontario government for the development of a responsive and responsible budget, although we believe there should have been greater recognition of the vital manufacturing base of the province. Overall, the new budget measures will likely have a neutral impact on manufacturing industries in that the major new tax incentives for small business are mitigated and perhaps fully offset by the increased employer taxes from the extended sales tax base and higher OHIP premiums. Nevertheless, manufacturers are pleased that the government was able to retain current

incentives for industry to grow and create jobs in Ontario."

Again, unfortunately, the member for Cornwall has fled the chamber and is not here to hear some of the words of wisdom. As recently as this afternoon, the Canadian Federation of Independent Business was before the committee. In singling out Bill 115 for consideration, they had some general observations to make. If I may just highlight what they had to say about the 1982 Ontario budget, I am quoting from page 3 of their brief:

"The 1982 Ontario budget went a long way towards satisfying that goal [of restoring business confidence and investment]. The CFIB commended and commends the Ontario government on the broad thrust of the provincial budget and many of the specific items contained in it.

"The Ontario budget is important for the psychological lift that it gives to the business sector. Prior to that budget, there was a general feeling of demoralization and despair on the part of business operators. The governments, especially after November 12"—and undoubtedly they are alluding to the disastrous federal budget that came down last November 12—"did not understand the nature or the extent of their problems. That mood was reflected in the lack of economic and investment activity in the province. Many of the Treasurer's budgetary measures did much to overcome that feeling.

"First and foremost, the Ontario government sent out a clear signal to Ottawa and the business community that it understood the problems facing the economy and the confidence and measures to spur investment were the right method to help the economy recover . . .

"Other positive measures included the decision to send for study by the Ontario Economic Council the possible opting out of the federal-provincial tax collection agreement on personal income tax, the support of a program for personal income tax incentives for equity investment and the job creation initiatives to help our unemployed weather the current storm.

"Thus, in large measure the federation feels that the Ontario budget dealt with an extremely difficult economic situation in an appropriate and fiscally responsible fashion. Most importantly, the measures in the budget recognized the importance of such basic concepts as cash flow, liquidity and profits. If firms in the country are totally drained of their earnings during these hard times, they will not have the financial

strength to create jobs and economic activity when the recession ends. The budget recognizes this."

This is another testimonial in support of the budget. It is one of many glowing testimonials that have been presented to the committee in the past two days. There are so many of them. What was really amazing was the deafening silence in that committee when one series of witnesses after another came before the committee and actually lauded the Treasurer's budget.

The member for Ottawa East (Mr. Roy) was especially tongue-tied. He is usually ranting and raving. I think he has a guilt complex because he is so seldom here. When he is here, he feels he has to be heard so he knows he is on the record. It is quite obvious when he comes into committee. He likes to make a lot of noise but there is little substance, like a paper tiger. He was dumfounded when he heard the briefs this afternoon.

Let me turn to another glowing testimonial presented to the committee today by no less a prestigious organization than the Investment Dealers Association of Canada. It did an objective and realistic assessment of the Ontario budget on an overview basis. I will simply give the concluding comments of that presentation, which I think say it all.

I wish the member for Cornwall would return to the chamber. He is obviously sitting in the outer chamber with his tail between his legs, wishing he had never got up this evening to present selective readings from the committee hearings about the so-called negative aspects of Bill 115.

If I might return to the brief of the Investment Dealers Association of Canada, it says:

"It is our view that the choice made by the provincial Treasurer on May 13 to opt for a strategy which strengthened the composite balance sheet of Ontario business, which encouraged new productive investment and which attached a high priority to reopening the federal-provincial dialogue on the importance of productivity improvement and new equity financing was the correct and timely choice to make in the interests of the citizens of this province.

"This involved moving the balance in the tax system to some extent to taxation on consumption rather than on income. Bill 115 is a consequence of that decision.

"Ontario has more at stake in increasing productivity than any other province in Canada. The economic strategy recommended to the

Legislature in the May 13 budget will improve productivity in Ontario. We urge the Premier and the Treasurer to remain on that course and to press vigorously the Prime Minister and the Minister of Finance of Canada to move more vigorously and quickly along the same path."

If that is not a glowing testimonial, I do not know what is, although I think I have one better than that. I will turn to that right now, if I might. This is also a presentation that was made before the committee this afternoon by an individual representing a very prestigious part of the business community. It was none other than Mr. J. P. Bunting, president of the Toronto Stock Exchange. I have to present some choice, selective comments from his point of view as given in his presentation to the committee this afternoon.

10:20 p.m.

I really do wish the member for Cornwall would return to the chamber; I think he would feel inspired. He had such a negative attitude when he left that I feel this would salve his conscience. It would make him feel much better if he could leave on a happy note this evening.

In any event, Mr. Bunting had this to say this afternoon:

"It is my view that the Treasurer, faced with a difficult environment, had a set of difficult choices. He was faced with the dual needs of creating a climate to inspire confidence in the future of Ontario and, at the same time, charting a course of fiscal prudence and responsibility. I believe his choice of budget measures were the ones appropriate to realizing both of these needs . . .

"The government of Ontario has demonstrated leadership in reasonable control of its expenditures. Over the past seven years, provincial products expenditures have remained fairly stable. In addition, the government has cut over 5,000 jobs from the civil service. By comparison to the federal government, this is a commendable performance. Growth in federal expenditures has consistently surpassed the rate of inflation and has also consistently surpassed the growth of Canada's gross national product."

I was really delighted when the member for Cornwall invited me to be specific, as I certainly had intended to be, because I knew that if I had given the same reasons as expressed by the Treasurer in his budget the members opposite would simply have said, "It is self-serving." That is why I was delighted to have the opportunity to present objective testimonials from people in the business community who have no axe to

grind either with the opposition parties or with the government party. They were there simply to tell it the way it is. That is why I think it is so important to get these glowing testimonials on the record this evening.

To continue, the president of the Toronto Stock Exchange also had this to say:

"The Treasurer, in my view, prudently decided against allowing the deficit to grow since in the long term it would become unmanageable. One only has to look at the federal experience to know how a burgeoning deficit shatters business and investor confidence and gives government little room to come to grips with economic problems. In order to minimize growth in the provincial deficit as a consequence of these revenue losses, it is clear there was little choice but to raise taxes in Ontario."

Mr. Bunting said further: "Having eliminated income taxes as a source of revenue"—which, I might say, was one of the options the Treasurer considered; that and imposing additional corporation taxes—"there was little choice but to go the route of an increase in consumption taxes. This was the only course of action which would leave confidence in Ontario's future on sure ground."

Then he says this: "I applaud Mr. Miller for his recognition that sufficient equity capital for the private sector must be a priority of all governments in Canada. I also urge him to continue his efforts to convince the federal government to create a national policy that would encourage stock ownership. The leadership that Ontario has shown in providing an environment that is favourable to business sur-

vival and investment is critical in today's economic environment."

Here again, we have the business community speaking out in an objective fashion. It really is baring its soul to governments at both levels as to what they think is the proper budgetary route to be taking, given the difficult economic times we are experiencing.

On motion by Mr. Williams, the debate was adjourned.

Hon. Mr. Gregory: Mr. Speaker, I wonder if I might ask the permission of the House to revert to reports.

Mr. Speaker: Do we have the concurrence of the House to revert to reports?

Agreed to.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 62, An Act to amend the Municipal Boundary Negotiations Act.

Mr. Speaker: Is it the pleasure of the House that the report be received and adopted?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Ordered for third reading.

The House adjourned at 10:27 p.m.

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Ontario

No. 99

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Wednesday, July 7, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Wednesday, July 7, 1982

The House met at 2 p.m.

Prayers.

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Nixon: Mr. Speaker, there may be many others who want to rise to do this but I know that all members are delighted to see the Minister of Intergovernmental Affairs back, looking hale and hearty and full of enthusiasm.

[Applause]

Mr. Speaker: Welcome back.

Hon. Mr. Wells: Mr. Speaker, thank you very much. I would like to thank the House for the very warm welcome back and say I really feel good being back here. One really does miss this place when one is not here. I watched the members on television whenever I could find something about the House on television.

I would like to make two observations on my sojourn in the hospital. First of all, I do not recommend the procedure for anyone who wants to bypass the Legislature; there are probably easier ways to do it. I would like to say it has confirmed forever my belief, which I had before, that we do have the finest health care system in the world. I can recommend every hospital in Ontario, particularly the Toronto General Hospital, if members ever find themselves in the same predicament I was in.

I would also like to say, as I have said on a couple of other occasions, the real reason that I had the operation was to prove, scientifically and conclusively and once and for all, that Tories do have a heart.

Interjections.

Mr. Speaker: I must point out that the member for Grey-Bruce is out of order.

Mr. Sargent: On a point of privilege, Mr. Speaker—

Mr. Speaker: You are out of order, or I would be willing to recognize you.

Mr. Sargent: Mr. Speaker, I would be prepared to help you adjourn the House today. I am not really out of order if you do not rule me out of order.

Mr. Speaker: I am sure we will give leave to hear you, but I must ask you to remove your hat.

Mr. Sargent: No. I think by law a member is allowed to wear a hat one day a year in this place, is that not so?

Mr. Speaker: I think that was revoked several years ago.

Mr. Sargent: Kelso Roberts used to wear a hat one day a year here. I brought up the old book and it says it is okay.

Mr. Speaker: I think, traditionally, when you rise to speak you must take your hat off.

Mr. Sargent: Now that I have your attention, I rise on a point of privilege, not as a member of this House but as a taxpayer, in that I received a letter today saying all 1982 funds have now been committed for youth employment programs. Mr. Speaker, I want to have you ask the Premier (Mr. Davis)—this is not question period—

Mr. Speaker: With all respect, I have to point out to the member that this is not a legitimate point of privilege.

Mr. Sargent: Wait until you hear it.

Mr. Speaker: No, I think I have already heard enough and I must point out to you that I cannot relay questions or ask questions on behalf of anybody.

Mr. Sargent: I will ask it directly then.

Mr. Speaker: No, you will not. No, we are not at that point in the proceedings yet.

Mr. Sargent: I do not know—

Mr. Speaker: I am sure you will have your opportunity and I would be happy to recognize you at the appropriate time.

Mr. Sargent: No, your skates are a bit dull here, now.

Mr. Speaker: No, they are not.

Mr. Sargent: Yes.

Mr. Speaker: I would have to ask you to resume your seat so we may proceed. Thank you very kindly.

RESIGNATION OF MEMBER FOR YORK SOUTH

Mr. MacDonald: Mr. Speaker, the member for Grey-Bruce (Mr. Sargent) is a very hard act to follow.

I rise on what I think is appropriately or

accurately a point of privilege. All members of the House will have been aware from the media that it is my intention to resign my seat in the Legislature as of the end of this month in order to provide an opportunity for Bob Rae to seek the spot he is entitled to in this Legislature.

Mr. Kerrio: I don't think he's entitled to it; he has to win.

Interjections.

Mr. MacDonald: Mr. Speaker, may I say to you and to the members, they are a little late. If they wanted to open a seat, they had plenty of chances but they did not do it.

Ms. Copps: We opened one.

Mr. MacDonald: And we took it—

Ms. Copps: With the wrong man.

Mr. MacDonald: We took it, notwithstanding the member for Hamilton Centre (Ms. Copps).

After 27 years and one month minus a day in this Legislature, I think members will understand why I say it is very much a part of my being. Therefore, the prospect that this will be my last day in the Legislature is one that I greet with a measure of regret and sadness. I have enjoyed my associations in this Legislature more than words can say. The friendships and working co-operation with people on both sides of the House throughout all of those years is a memory I will always cherish.

However, the time has come for ending the speculation. I hate to deprive members of the games they have been playing for the last while. I leave with not as much regret as some people are attributing to me. I am very much interested in and have every inclination and desire to be part of the legislative process.

Regretfully, and the reason for a lessened regret in leaving the Legislature, this Legislature, like most legislatures and parliaments, is becoming less and less important in the legislative process. What I say is not something new, it is something that everybody recognized when the Camp commission was established 10 years ago to see if we could find ways and means of improving the role of the Legislature and the member in it. I suppose it is one of the great preoccupations of political scientists today to take a look at what can be done to make the role of the Legislative Assembly a much more effective one.

But I have the assurance from my colleagues that I can be very much part of the continuing legislative process. As I think members are aware, my leader has asked me to become a special adviser in his office. To indicate to

members that the continuity will go on, I shall proceed almost immediately—no, not until after the by-election—with ongoing task forces in two areas that have been my major preoccupation: namely, agricultural and rural problems and Ontario Hydro affairs.

2:10 p.m.

In addition to that, my colleagues have done me the honour yesterday of electing me chairman of the caucus and of the caucus executive, so I will be able to play a role in shaping our strategy here.

I just want to go back a bit and speak about what is happening to this Legislature. I am not going to speak at length, and I am not going to suggest that I know the answer to what we can do to make the role of the Legislature more effective. But there is one area in it that we have tackled in this province with the Camp commission and the recommendations for making the role of the average member more meaningful. We have, I would acknowledge, made some significant progress in reform around the Legislature to achieve that objective.

There are some people in this institution—and if I may say so, on the other side of the House—who might be inclined to reverse that process. I have a very personal plea to the Premier (Mr. Davis) that he should resist any tendency in that direction. I have no illusion that reform in this Legislature is going to solve the whole problem. But if the kind of reforms we have been achieving and that we are working on almost day to day are not pursued, we will be moving backward and not forward, and I am sure this is something the Premier would not want to happen.

When I became leader of the Co-operative Commonwealth Federation in 1953 and of the New Democratic Party in 1961, it was in the firm conviction that the New Democratic Party, as it is now known, is the only party that can and will provide an alternative to the Tories, who have been in power too long.

Mr. Nixon: This is not a maiden speech. We do not have to remain silent.

Mr. MacDonald: It may be a maiden speech. I have seen and heard nothing, including the last interjection, to indicate that I should change my thinking on that matter. The Regenstreif polls last February indicated that the New Democratic Party had moved into second spot again, and Hamilton West confirmed those polls.

I conclude my parting fond farewell to colleagues of the Legislature by saying to the

Premier and his colleagues over there: Be prepared, move over, because we are ready for 1985.

Hon. Mr. Davis: Mr. Speaker, I would like to say a few words about the decision that I know has tested the conscience and personal views of the member for York South for some weeks. I shall not on this occasion indulge in the fun I might ordinarily have, because I know that his decision was one of conscience, and I would think it was not easily developed.

I will resist the temptation, although it is present, to take issue with the member for York South on this occasion as to who may be moving where some three years hence, except to pass on this bit of personal advice, which sometimes members opposite never accept from the Premier of this province: Just do not make any plans to leave the position as adviser to one of the leaders of one of the opposition parties after 1985, because my suspicion is that that in fact is where he will be.

However, I want to say in a very nonpartisan way, speaking for members on this side of the House, how much we have appreciated over the years the contributions by the member for York South. We have some very basic philosophical disagreements, and I think it is fair to state that on a number of issues we have agreed to disagree.

I must also say on a more personal basis that I did not know the member for York South personally when I first had occasion to sit in the gallery and witness his performance as leader of the party when my predecessor once removed, Mr. Frost, and the member for York South used to do verbal battle here in this Legislature.

Having listened to those debates, and having listened to the member here, I can only say that with maturity has come moderation, and with moderation has come a measure of sensitivity and a degree of understanding I did not sense in those early days, such that on many occasions the sensitivity and the policies of the government as represented on this side of the House were in his own heart of hearts worthy of support. I say that in a kindly fashion, having listened to him berate my predecessor and effectively contribute to the affairs of this House.

This is an important occasion. There are not many members who can say they have committed 27 years of their adult lives to public service. Perhaps the member for Wellington South (Mr. Worton) and one or two others in this House can make that same statement. I can only say to the

member for York South I have four years and one month to go to meet his record, which I have every intention of doing on this side of the House. Those are my present intentions.

I would also like to express to the member for York South that, in spite of our partisan differences, he has enjoyed and does enjoy the respect of members of the government on a number of issues. I wish him well in the new pursuits he will be following. I understand he will continue his interest in the party with which he has been associated for so many years. He has pledged his support and loyalty, and properly so, to his new leader, although I do not share with him the same view as to whether his leader will automatically emerge as a member of the Legislature because of the decision he made at one o'clock yesterday.

In conclusion, on behalf of the government we sincerely wish the member for York South well. I fully expect he will remain partisan and will make his contribution, but somehow I suspect that at some point in his career he may give more attention to his academic interests and his imparting of knowledge to younger people, even though it has not been totally objective, as I have said on other occasions.

On behalf of the government and the members of our caucus, we sincerely wish him well and extend to him our best wishes for whatever the future may hold for him.

Mr. Peterson: Mr. Speaker, I rise on behalf of my party on this auspicious day. It is fortunate that the day we lost a good one we also got a good one back. In a sense, it netted out for the Legislature and I too welcome the minister back.

This is an historic day. It is the first time any of us have witnessed an asphalt farmer being put out to pasture, the man who coined the phrase, "You do not have to be a chicken to know an egg when you see one."

The member for York South won the respect of every single member of this House. All of us have our personal favourites from various parties, people we respect for special things. The member for York South represented that to all of us regardless of party. As a new member in 1975, it was with great delight that I watched and learned from the great parliamentarian operating in this House, although I am sure he would argue not enough. I know my colleagues who have been here far longer than I continue to have respect for this man's ability at all times.

We are seeing the patriarch go, in many ways. He is a scholar, a great parliamentarian and a

fierce partisan on every single occasion. Some of us are more sensitive about his leaving, as former leader, than others are. I know my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) has a little different view of this situation than others may have.

2:20 p.m.

I hope the member will sit down and pen his memoirs, as well he should. In my view there is not enough good history on the House at Queen's Park. Some of the members here should be prepared to share their experiences with the public and I can think of no one better at that than the member for York South.

As he said, he participated in the ups and downs, the highs and lows. He came in at a low in 1955, I gather, with three members. There was a wee crescendo as they accelerated in strength and reached a high, and now they are again at a low. It is tragic that he has taken to leave in this situation. He will leave the party and this Legislature all the lower for so doing.

As he takes his seat in the New Democratic Party version of the Senate—I am told by some that his political adviser in this matter was Jim Coutts—I would remind anyone who would pretend to be his successor of the historical lessons of 1943 with Arthur Meighen in York South. I believe it finished off Arthur Meighen. There was another, more recent analogy in 1974, with David Lewis. So it can be a fickle seat.

I say to him that I will miss him personally. I am one of those who have a great respect for him personally. I know I speak on behalf of all my colleagues when I say we will miss him. We wish him well, not politically but in every other respect, and want to thank him again and tell him how decent he is for stepping aside to let a Liberal take his place.

Mr. Foulds: Mr. Speaker, I do not know if the member for York South remembers the first time he and I met, 24 years ago this August. It was the third week in August at the home of Tom and Dusty Miller at 43 High Street North in Thunder Bay.

At that point the member for York South was doing what he does best. In spite of the tributes paid to him as a member of this Legislature, his great contribution to the politics of Ontario has been made on the hustings. During the dog days of August 1958, the member for York South was beating the bushes in northern Ontario for the NDP, then the CCF.

My second memory of the member for York

South is when I was a young principal of a three-room school in a little village called Armstrong. I went to Geraldton, which was then in the huge riding of Port Arthur, and attended a CCF social. It was a new party social in the riding. The thing that struck me about the member is something that we do not often see about the man, and on occasions like this we tend to have obituaries, which I think are inappropriate. What I remember at that social was the member having a few rye and waters and dancing with every attractive woman in the hall, and let me assure members there were many.

Publicly, here in the Legislature, I have been very proud to have been associated with him on the select committee on Ontario Hydro affairs, which I believe was one of the great legislative contributions in this place in my time. I must also point out the work he has done on the topic of freedom of information, which is crucial in this province. We in this province owe a lot to the member for York South because of his role in maintaining an active, honest and responsible government in this province.

We in our party owe a lot to him because of the enormous energy and talent he has put into building the democratic socialist movement in Ontario. I do not want to betray any secrets of caucus, but let me assure everyone that my colleagues and I, over the 10 or 11 years that I have been here, appreciate not only his wisdom, his moderation and his knowledge but also the inspiration he has given us.

I want to assure members of the other two parties that Donald MacDonald is not going out to pasture; he will be fighting on the hustings for the New Democratic Party for many years to come, and he will be one of our great assets and one of their great political opponents.

STATEMENTS BY THE MINISTRY

PROVINCIAL CELEBRATIONS

Hon. Mrs. Birch: Mr. Speaker, almost 200 years ago, as the fires of revolution—

Mr. McClellan: On a point of order, Mr. Speaker: I do not have a copy of the statement.

Mr. Peterson: Take mine; it's no good.

Mr. Speaker: May we have copies distributed?

Mr. McClellan: We just got one.

Mr. Speaker: All right.

Hon. Mrs. Birch: Almost 200 years ago, as the fires of revolution were flying in the United

States, the governor of Quebec, Sir Frederick Haldimand, decided to open up the area we know today as Ontario to large-scale immigration and settlement. Our province, at that time part of Quebec, was largely a wilderness. It was inhabited by the native peoples and by a few French and British at scattered places along the trading routes.

The first permanent European settlement here took place in 1639 at Sainte-Marie among the Hurons, near present-day Midland. A number of other communities can also trace their roots to the 17th century, including Kingston, which was founded by the French as Fort Frontenac in 1673, and Moose Factory, established in the same year by the British. In the late 1740s, French farming settlements appeared on the shore opposite Fort Detroit in what is now Essex county.

Governor Haldimand recognized the need to find new homes for some of the 50,000 Loyalists who left the United States as a result of the war. In the two centuries since, they have been followed by other people from all over the world, and together we have built Ontario into the province it is now.

The first several thousand Loyalist settlers arrived here in the spring of 1784. Their land grants were located at the east end of Lake Ontario and along the St. Lawrence, Niagara, Grand and Detroit rivers. They were a diverse group in both religion and race. Most were American-born of English, Scottish and Irish origins, but their numbers also included Iroquois of the Six Nations, Germans and Dutch.

The year 1984 will be the 200th anniversary of our first Loyalist settlements. The government wanted to mark this milestone and, while looking at how it might be done, became aware of many other celebrations and special occasions which were being planned for that year.

The city of Toronto intends to celebrate its sesquicentennial of incorporation. Other places, like Prescott and Cornwall, and the Six Nations, near Brantford, will be recognizing benchmarks of special importance to people there.

In 1984, when the St. Lawrence Seaway is 25 years old, it will be the setting for some of the sailing events planned to mark Cartier's first voyage to Canada 450 years earlier, in 1534.

The year 1984 is significant too in the history of northern Ontario. It will be the 100th anniversary of a decision of the British Privy Council to include much of the land between Lake

Superior and James Bay within the province of Ontario.

Therefore, 1984 will be a special year throughout the province, not only among those communities and organizations which are well along in their plans but on the part of many others as well.

It is an opportunity to recognize the importance of our entire history and to celebrate together our rich heritage. We can also honour the achievements of all citizens of this province today.

In response to this significant occasion, I have been asked by the Premier (Mr. Davis) to chair a cabinet committee to oversee planning of the celebrations.

The committee's job will be largely one of co-ordinating support among provincial ministries and agencies for the celebrations which will take place at the community level. In addition, to encourage and assist local events and projects, the committee will foster a sharing of information on what others are doing and will help publicize these activities.

"Celebrating Together" is the theme for the occasion. In keeping with this, I ask members on all sides of this House to join with the government and with the people of this province in honouring our accomplishments, our neighbours and ourselves.

During the summer, when honourable members are back in their constituencies, they will have an opportunity to learn of the different ways in which people would like to mark this historic occasion. Our committee would appreciate hearing from members so that these celebrations will be a source of pride and satisfaction to all of us.

2:30 p.m.

Mr. McClellan: On a point of order, Mr. Speaker: There is a sentence in my copy of the minister's statement that she omitted to read which reads: "My government intends to restore the purchasing power of family benefits recipients who have lost 40 per cent of the value of their social assistance dollar as our contribution to the fight against"—

Mr. Speaker: Order.

SECURITIES AMENDMENT BILL

Hon. Mr. Elgie: Mr. Speaker, in 1978, when the government of Ontario introduced the Securities Act, it was attempting nothing less than a major revision of provincial securities legislation.

Since it came into force, the act has revealed itself to be in need of certain modifications. This is entirely natural and the bill I am introducing today, the Securities Amendment Act, represents a necessary response to that situation.

From direct experience gained with this statute during the past few years, it has been determined, for example, that some clarification of its application to crown agencies was necessary. It has become increasingly routine for agencies of the crown to enter Ontario capital markets for publicly traded securities. The fact that crown agencies alone might not be required to comply with the provisions of the act may bring our securities markets into some disrepute. Therefore, the amendments make it clear that the act applies to the crown in the right of Canada, Ontario and other provinces when they participate in the public capital markets of Ontario.

We also determined that a number of substantive modifications were required in other parts of the act. For example, the definition of a takeover bid has been altered to include offers made for securities convertible into voting securities. In addition, the takeover bid threshold level has been redefined from 20 per cent of currently outstanding voting securities to 10 per cent of the voting rights attaching to the voting securities that would be outstanding on a fully diluted basis.

These are just two of the important and significant amendments included in the bill which I am introducing to the Legislature today. The remaining changes can be divided into five separate categories.

1. Insider trading and reporting: as it stands, the Securities Act requires insiders of a public company to file reports of their trading in securities of that company. These regulations will be amended to accelerate the filing of these reports.

2. Self-regulation of the investment industry: the proposed amendments in the field of self-regulation are intended to provide, upon application of a self-regulatory body, Ontario Securities Commission recognition of and oversight over such self-regulatory bodies. Present legislation restricts government to the oversight of rules and regulations in respect of practice and procedure on audits.

3. Timely disclosure, continuous disclosure and the disclosure delivery system: proposed amendments will result in a new offence and new rights of action when a person intending to make a takeover bid, or anyone who has a

special relationship to that person, tips others as to that intention before it has been generally disclosed. The definition of a special relationship person has been extended to individuals who obtain inside information from persons they know to be insiders. This new group of persons will be liable if they trade on that information.

4. Administration: amendments will make possible an increase in the number of commissioners to 11 and bring about the creation of a deputy chairman as well a vice-chairman of the commission. These changes will enable the commission to deal more effectively with the increase in work load of the commission since our legislation of 1978.

5. Distribution and resale of securities: amendments in this area are designed to prevent people from acting as unregistered underwriters, purchasing for the purpose of immediate resale or, in other words, from effecting back-door underwriting.

These are just a few of the many amendments included in the proposed act. It is my belief that this bill will introduce changes to the Ontario securities markets that are both necessary and innovative and that will ensure the continued integrity of these markets.

BEER AT SPORTING EVENTS

Hon. Mr. Elgie: Mr. Speaker, since the advent of major league baseball in Toronto, there has been considerable discussion about the sale of beer at Exhibition Stadium for those attending Blue Jay games. The topic is popularly summarized under the heading "Beer at the Ball Park."

As will be evident, the government's approach to this issue has been relatively cautious. While some may have been disappointed with the cautiousness and the situation, the general enthusiasm of the fans for both the setting and the game has remained very high.

We believe, however, that a significant segment of the population would now accept an experiment involving the sale of beer at major league ball games and certain other professional sporting events, provided sensible and reasonable arrangements are put into place. Such arrangements, as members know, already exist in every other major league park in North America and in many jurisdictions for other sporting events as well.

Interjection.

Hon. Mr. Elgie: The member for Ottawa East (Mr. Roy) is anxious. Can he not hang on for a

moment? It will soon be Thursday and he can go home again.

A review of the experience in these other centres indicates that while isolated problems have arisen from time to time, there seems to be no serious difficulty when the matter is handled in a reasonable and clearly defined way. Obviously this has called for moderation on the part of fans, and they have responded well to that challenge.

We are very conscious of the fact that over the years many of the decisions with regard to the sale of alcoholic beverages have been determined on the basis of local options. I continue to feel that there is much merit in having the people of a community, through their municipal representatives, decide on the circumstances they wish to prevail in matters of this kind.

Mr. Conway: Are you serving it in a brown paper bag?

Hon Mr. Elgie: No. We are not going to the member's house; so it is all right.

Having considered all these matters, and subject to the formal approval of municipal council, under whose jurisdiction the operation of the particular stadium falls, the government has decided that it is willing to authorize the Liquor Licence Board of Ontario to designate Exhibition Stadium in Toronto, Ivor Wynne Stadium in Hamilton and Lansdowne Park Stadium in Ottawa as acceptable sites for the sale of beer at professional sporting events on an experimental basis for the remainder of the current calendar year and for 1983.

While the detailed regulations will be formulated and issued by the board, those arrangements must include a provision that all beer sold in these stadiums be in paper cups, be available only through the refreshment booths under the stands and be limited on the basis of two to a customer at any one time.

Through the liquor licence board, the government will monitor this experiment carefully and the matter will be reviewed again in regard to future arrangements at the end of the 1983 season.

Mr. Samis: On a point of privilege, Mr. Speaker: In reading the statement by the minister, I note there is no commitment to the columnist of the Toronto Sun or to me as to when the minister is going to take us down for first samplings of libations at the park.

Mr. Peterson: It's overwhelming. It's the most progressive thing they have done in 20 years.

ORAL QUESTIONS

WAGE AND PRICE CONTROLS

Mr. Peterson: Mr. Speaker, I have a question of the Premier. In view of the fact that this is probably the last day of sittings, in view of the fact that the Premier had a cabinet meeting this morning and presumably dealt with the issue of wage and price controls of various types and various options, in view of the fact the Premier has been fuzzifying this entire issue since he came back from Ottawa, I would like to know his position.

Does the government have a position on wage and price controls? Will he be developing that position over the summer? Is he going to participate in some way with the federal government? What is the position on this very important matter?

Mr. Kerrio: What a position to put you in.

Hon. Mr. Davis: Mr. Speaker, I hear this is the last day of the session. I am trying not to be provoked, and the member for Niagara Falls is trying to provoke me.

Mr. Nixon: Go ahead. Do your best.

Mr. Kerrio: I promise.

Hon. Mr. Davis: You promise what?

Mr. Kerrio: That's it.

Hon. Mr. Davis: That is it? Guaranteed? Yes, for 30 seconds.

2:40 p.m.

Mr. Speaker, I think the Leader of the Opposition really has restated a question he asked me on Monday of this week; I gave him then, I thought, a rather full and detailed explanation of the government's position. At this moment that position has not altered. If he wishes me to reiterate my answer of Monday—

Mr. Peterson: I bet you can't.

Hon. Mr. Davis: Does he want me to do so?

Mr. Peterson: I bet you cannot repeat what you said.

Hon. Mr. Davis: Oh, now he has challenged me. My recollection is that I said to the Leader of the Opposition on Monday last that I had participated in the discussions on Wednesday, that I had indicated our concern with some aspects that were not included in the federal budget: the question of equity investment, the question of further streamlining or altering the Foreign Investment Review Agency and the question of the capital cost depreciation allowance.

I also indicated that we had stated a point of view in this province that we were reluctant to move with respect to one sector of society rather than with a comprehensive or overall program. I think I pointed out to the Leader of the Opposition that this matter is complex. It is an issue where this government, before the federal legislation, demonstrated its measure of leadership with respect to the six per cent level it had imposed on all of us in this House and on the members of the public service.

I think I went on to say, if the Leader of the Opposition really wants me to reiterate everything I said on Monday, that it was a matter that would require a great deal of consideration on the part of this government, that it was not a matter we were going to leap into and make determinations about without a very careful assessment of all the facts involved.

I think I went on to state that no one minimizes the situation that exists not only in our province but also across Canada with respect to the rate of inflation; nor are we in any way critical of some measures that have been taken to attempt to reduce the impact of inflation on all of us.

I tried to be nonpartisan on Monday and refrained from pointing out that the federal initiatives at the moment as they relate to their own public service were somewhat simpler in terms of their legislative capacity and did not include some public servants that we have here in Ontario who are not under our direct management or supervision, whatever terminology one may wish to use.

I think I pointed out to the Leader of the Opposition that I understood from his press observations, and I could not really totally understand them, that he was really echoing some of the things I had said about the public sector, which indicated to me that his party was in support of a program that would have wage and price controls on everyone. That was the obvious conclusion one would come to from the observations he made. I did not comment on that on Monday, but I assume that position is correct; and I see that he has not shaken his head, or that he is not nodding his head. The truth of the matter is that he does not know what his position is. I understand that, and I do not expect him to take one.

I only say to the Leader of the Opposition that this government is very carefully assessing the federal program. We took initiatives before the government of Canada. There has not been, and

will not be in the next several days, a determination as to what further steps, if any, we may take.

Mr. Peterson: The Premier's leadership on this matter has been picayune; he really is not addressing the problem. As he himself said in his statement prior to the first ministers' meeting, it is going to demand clear, resolute and strong leadership from all sectors right across this province—his words exactly. There is great apprehension by people right across this province. Anxiety levels are at an all-time high at present. But people are probably willing to sacrifice if those sacrifices are fairly distributed, if people are sure they are not suffering while someone else is getting ahead.

Recognizing at the same time that public sector controls pick out only one area and that the Premier probably is going to be into a full program of price and wage controls, since he controls about 80 or 90 per cent of the work force here, and given the seriousness of the situation and the desire all of us have to make a system like this as fair as possible in the circumstances, does the Premier not feel that it would be reasonable to have a committee of this Legislature sit this summer and talk with the various groups involved in these great questions to respond to what most people in this country feel is a crisis at this time to which politicians are not responding?

Is that not a reasonable suggestion? It would help the Premier provide the clear and resolute leadership he talks about but has yet to deliver.

Hon. Mr. Davis: I think I have already responded to that in some detail. I will go through it once again if the Leader of the Opposition wishes, as I did on Monday. I only point out to him that he tends to oversimplify it and deals in generalizations and platitudes to a certain extent.

Mr. Peterson: Be very specific and helpful.

Mr. Speaker: Order.

Hon. Mr. Davis: I am just telling the member. I listened politely to what he said; it is his turn to sit back and try to learn a little bit on his part, if that is possible.

I really do not think any useful purpose would be served in striking a committee of this Legislature to determine whether there should be wage and price controls either in the public sector or in the public and private sectors. I really do not think that is a matter that can be usefully dealt with in terms of a select committee of the House. I do not say that in any critical sense but purely from a practical standpoint. I really do

not think it is a workable suggestion. I am not critical of his making the suggestion, but he has asked me for a point of view and I am expressing it.

Mr. Foulds: Mr. Speaker, can the Premier tell us whether the cabinet made any determination at all this morning? Can he tell us whether the cabinet plans to make a determination before this House resumes, in its normal course of events, in October? In other words, does he plan to call us back in the middle of the summer?

Hon. Mr. Davis: Mr. Speaker, I hope the honourable member will understand that this matter is very complex, and we all know it is; no one is minimizing the seriousness of the situation. I never disclose what was settled in cabinet or even what was discussed. I think the member can assume obviously there was some discussion. I cannot guarantee the member that we will not be back here, nor am I suggesting that we will. I am not equivocating; I am just telling him in a very simple fashion that there is no determination.

Mr. Foulds: On the one hand, on the other hand.

Hon. Mr. Davis: On the one hand I cannot say we will not, and on the other hand I cannot say we will.

Mr. Peterson: Given the eloquent speech we heard today from the retiring member for York South (Mr. MacDonald) about the increasing irrelevance of the Legislature; given the fact that as the Premier is thinking of these programs—it is probably as significant a public initiative as he will ever take— and that they would require consensus around a broad spectrum of society and would have to have support without which they cannot work; given the fact he has learned some lessons about imposing things on people after the fact without them having access or input into those decisions; does the Premier not feel it could make this Legislature more relevant as well as develop a consensus in society? It appears we are going to have to have that because, failing that, we are going to have national warfare in society between the various groups that are controlled or not controlled.

Does he not feel we could use the legislative process somehow or other, through a select committee or through discussions in this House in the very near future, to make sure we can all assist in developing that consensus and not fracture society any more than it is fractured at present?

Hon. Mr. Davis: I think this government has made a very genuine, deliberate and successful attempt, certainly up to this point, to minimize the debates within society generally.

I only say to the Leader of the Opposition that he can talk about relevancy or irrelevancy—he leaves himself somewhat vulnerable when he makes those statements—but I just have to say in my opinion at this moment—

Mr. Sargent: Was Suncor relevant?

Hon. Mr. Davis: To answer the member for Grey-Bruce in simplistic terms, yes. If he wants to enter into a discussion, I will be delighted if he does so.

Mr. Peterson: What would happen if you gave it to us in complex terms?

Mr. Speaker: Back to the main question, please.

Hon. Mr. Davis: My answer is as it was to the member's opening question. No, I do not see that a select committee at this moment would be helpful.

MINE SHUTDOWNS

Mr. Peterson: Mr. Speaker, I have another question for the Premier. The Premier had a meeting with representatives from Bancroft, Madawaska Mines, quite recently. As I understand it, there was no clear resolution of that situation. Has he had an opportunity to reflect on that? Is there a resolution? Is he going to use the power of his government to keep that mine open? What is the state of those negotiations?

2:50 p.m.

Hon. Mr. Davis: Mr. Speaker, I think it would be improper to describe them as negotiations, because they are not negotiations. We met again with a representative group, including the very distinguished member representing that riding, and certain other suggestions or additional suggestions were made. I assured both the local member and Father Maloney, who was sort of the spokesperson for the committee, that some of the suggestions would be assessed. I hope I sent him away with no feeling of false anticipation; I made that abundantly clear.

The two or three matters being assessed have not been finalized yet, and I cannot inform the Leader of the Opposition of any change as of this hour. Obviously, if something is going to happen, or whatever determination is made, it has to be done very shortly. I am being very frank; as of this moment, there is no alteration.

Mr. Peterson: Will the Premier comment on

some very disturbing rumours that are about in Bancroft at present, that his government is negotiating on the basis that the mine will be used as a repository for the radioactive soil from Scarborough, and that in exchange he will assist in opening that mine?

The township of Faraday, I gather, has reversed its decision of a year ago, saying it now is prepared to accept that, on the condition that the Premier keep the mine open. Is the Premier or anyone in his government or in Ontario Hydro putting that pressure on the citizens of Bancroft? Is that the deal he is trying to make?

Hon. Mr. Davis: No, I can very categorically say that is not factual.

Mr. O'Neil: Mr. Speaker, I have a question on the same subject for the Premier. He says he is not aware of any discussions on this matter. Might I ask him whether this subject was brought up during his meeting last week with Father Maloney and the other representatives from the Bancroft area, whether there was any question at all about them taking any of this waste from the Scarborough area and whether there has been any further discussion in any way by any of his officials regarding this matter?

Is he aware of the thing that has been drawn up by Faraday township, spelling out some of the conditions it would accept if that were moved there and if it could get the jobs back from Ontario Hydro?

Hon. Mr. Davis: Mr. Speaker, I am not aware of the specifics. I am aware that there has been some discussion in Faraday township. I can only reiterate what I said to the honourable member's leader. That matter was not a subject of "negotiation." The matter was discussed; there is no question about that. It actually arose, and I was not aware of this, because the mine was processing certain material, I believe from Port Hope—I forgot the technical name of the material—

An hon. member: Raffinate.

Hon. Mr. Davis: Raffinate. It was processing that. They were saying to me, as a rationale for the continued operation, that this was a useful instrument to have available. Then the subject of other waste material came up. That is how the matter emerged.

Before they left, I made it abundantly clear that in any discussion of this being a possible site—incidentally, there were some there who thought it would be an excellent site for the disposal of the material from Scarborough, and there were some who did not; I will not tell him

who did and who did not, because I do not think it would be fair—whatever decision was made relative to the mine itself would not be conditional upon the acceptance of this material from Scarborough.

Those who were present would substantiate that. It was discussed—there is no question about that—but it was not a part of any negotiation.

MUNICIPAL ASSESSMENTS

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Revenue. As the minister knows, a number of members of the Legislature and a number of press people went on a tour of homes in Metro Toronto this morning, sponsored by a group called Tax Reform Action for People.

As a result of that tour, has the minister been made aware that because of the unfair, arbitrary and helter-skelter nature of the reassessments being implemented, 75-year-old Mrs. Grace Granger will lose her home at 428 Wellesley Street East, because her taxes have been tripled from \$450 to \$1,150 per year, when no substantial improvements have been made in her home? What is the minister going to do to help her keep her home?

Hon. Mr. Ashe: Mr. Speaker, the specific situation the honourable member refers to has not been drawn to my attention. I presume this woman probably appealed under the normal appeal process. If she did not, this government and I saw fit to bring forward legislation now known as Bill 60 that allowed every property involved in the reassessment in the city of Toronto to have its day in court, so to speak, in front of the assessment review board as it is now called. If there has been an injustice done in terms of equality with neighbouring properties of similar value, obviously that will be addressed.

In terms of the specific situation, there are many other programs this government has initiated over the years to assist seniors, particularly in regard to the payment of a good part of their property taxes. Those programs have been well received, well accepted and do the job. As to the numbers used, I suggest the deputy leader of the third party check his arithmetic. To me, that did not add up to a threefold increase.

Mr. Foulds: It was virtually a threefold increase. Is the minister not aware that he has had correspondence with this woman? Is he not aware that these people have to pay their taxes while they are waiting for appeals? This family has an income of \$750 per month. She has to

take an extra \$60 a month from her food budget to pay her taxes while the appeal process goes through, and goodness knows when that will be heard. Why should she have to rob her food budget to pay her taxes and to pay for the government's mistake?

Hon. Mr. Ashe: A few inaccuracies were just brought forward and I would like to correct the record.

As far as the numbers used are concerned, again I think they were put into proper context. The property tax rebate for seniors has already paid a significant interim payment earlier this year.

As far as the delay in the appeal court hearing procedures is concerned, I might say it is because of the delaying tactics of the third party that Bill 60 was not enacted at least three or four weeks sooner. If it had been enacted sooner, the scheduling of the hearings in front of the assessment review court could have started sooner. If there is any problem or any blame in terms of the time taken, I suggest the member stand in front of the mirror and look into it, because it was the third party that caused that delay.

Mr. Peterson: Mr. Speaker, in a press release on March 29, 1982, the minister said, "I can report that the assessors did review the assessment of every renovated property of which they are aware through building permits, earlier inspection of properties and their knowledge of the neighbourhood."

The minister is aware that at 428 Wellesley Street East, Mrs. Granger did not have her house reviewed by an assessor. No one came there. There is always someone at her house, because her husband has Parkinson's disease. There was no on-the-spot assessment by anyone. The procedures the minister presumes are operating are not operating, resulting in the inequity that has been brought forward. What is he going to do about it?

Hon. Mr. Ashe: Mr. Speaker, I have reiterated on more than one occasion what we are going to do about it, and that is Bill 60. The assessment review court, now called the assessment review board, is in place. After we have gone through those procedures we will see, I think, it will back up what I have said on more than one occasion. We are not perfect, contrary to the views of some members opposite who think they are always perfect, but overall and generally, I think the procedure was fair and

equitable and the court hearings will so indicate.

Mr. Foulds: At least I can look at myself in the mirror every morning. I am not sure the minister can when he has cases like this and does nothing about them.

Can the minister not understand that his bureaucratic response does absolutely nothing to help Mrs. Granger, who is 75 years old, her husband, who is 80, and their ill son, who is 50, keep the home they have owned for 32 years? They are in real danger of losing that home because of the minister's callous neglect and attitude. Can he tell me why he takes refuge in a bureaucratic procedure which has not yet been used, when people such as this are losing their homes?

3 p.m.

Hon. Mr. Ashe: That bureaucratic procedure referred to by the honourable member happens to be an act of this Legislature. If he feels that is a bureaucratic procedure then he should not have been a party to that particular legislation when it was first enacted. That is exactly what we are talking about: even in those cases where there have been minutes of settlement on the appeal questions and valuations, they cannot be changed—I want to re-emphasize that—they cannot be changed by the minister or by the ministry until they have been officially recognized by the assessment review board.

It is not a matter of bureaucratic problems or of the minister being insensitive. It is an act of this Legislature that we intend to abide by. If the member's party had not held up Bill 60, probably some of the hearings would already have taken place.

Mr. Charlton: On a point of privilege, Mr. Speaker: The minister has accused this caucus of delaying the bill and consequently delaying assessment hearings in the cities.

Mr. Speaker: That is not a point of privilege.

Mr. Charlton: It is, Mr. Speaker.

Mr. Speaker: No, it is not, with all respect. Let us fully understand what a point of privilege is. That is not a point of privilege.

Mr. Charlton: He is imputing motives.

An hon. member: What is a point of privilege?

Mr. Speaker: I have explained it several times and I shall be happy to do it again if you so desire.

EMPLOYEE HEALTH AND SAFETY

Mr. Foulds: I have a question for the Minister

of Labour. This is a wrap-up question for the session.

Would the minister care to comment on his own report card during this session? In particular, would he care to comment on the questions we have raised in the last few months on matters of health and safety?

For example, can the minister explain why, as Minister of Labour, he was unaware of the high incidence of miscarriages in government offices using video display terminals, why he was unaware of the problems of lead poisoning at Wilco Canada Inc. in London, why he was he unaware of a serious worker injury and the 72 violations of the Occupational Health and Safety Act at Rothsay Concentrates and why he was unaware that orders were not issued against Westinghouse in Hamilton regarding high levels of chemical solvents in the paint lines?

Mr. Boudria: Question.

Mr. Foulds: Why did the minister admit an administrative error in the case of a janitor in the Sudbury library, who was ordered to clean up asbestos without a respirator? Why was the minister unaware that there were problems of excessive wood dust at Gothic Store Fixtures in Mississauga and why was he unaware of the cleanup of asbestos at Surrey Place, where workers were working without protective equipment?

Interjections.

Mr. Boudria: Why you were unaware, period.

Mr. Speaker: Order.

Mr. Foulds: How does the minister justify his ignorance on all of those crucial issues during this session of the Legislature?

Hon. Mr. Ramsay: Mr. Speaker, with the greatest respect for the member opposite, I think if he looks at Hansard very carefully he will find that after the first couple of weeks of this session there was not an issue I was not aware of. There were some issues brought to my attention in the first couple of weeks, but not from that point on. I believe the record will bear that out.

The member brings to mind the matter of the lead situation at Wilco Canada Inc., the Rothsay situation, Westinghouse, and the administrative error in Sudbury. In the case of the administrative error in Sudbury, I readily admitted it. I am not going to hide behind a cloak of bureaucracy at any time. I will answer honestly, frankly and candidly in this House, as I have attempted to do. If an error is made, and there was an error

made in the Sudbury case, I will be the first to admit it and the first to take steps to make sure it does not occur again.

As far as Surrey Place is concerned, again the record will show that I was aware of it.

Mr. Speaker: I want to assure those honourable members who were questioning the length of that question that it was indeed properly phrased.

Mr. Foulds: Can the minister explain why he has failed to introduce coke oven emission regulations but instead has simply made the same progress that was made by the former Minister of Labour, the member for York Mills (Miss Stephenson), some six years ago, and still there has been no regulation? On June 19 he indicated that he was hopeful such emission standards would be brought before the House before it adjourns.

Hon. Mr. Ramsay: The member brings up an excellent point. It gives me an opportunity to say in this House that every commitment I have made to him or to any of his colleagues, I have fulfilled to the fullest. As far as the coke oven emissions are concerned, that went through the regulations committee yesterday. It went through cabinet today. It will be implemented before the end of this month, as promised.

Mr. Wrye: Mr. Speaker, I will give the deputy leader of the New Democratic Party a minute to recover.

I would like to ask the minister, while he is giving us this report card, if he could report to us why so many of the promises that were made in the throne speech, specifically new equal pay legislation, and improvements to the very inadequate severance pay legislation, have not yet even been introduced.

Mr. Speaker: Order. That is not a legitimate supplementary, with all respect.

Ms. Copps: It is a supplementary; it is the report card.

Mr. Speaker: That is not. He may ask a supplementary to the main question.

Mr. Wrye: Mr. Speaker, the deputy leader of the New Democratic Party—

Mr. Speaker: I might remind the honourable member that the rulings of the Speaker during question period are not debatable. You must ask a supplementary on the main question please.

Mr. Wrye: Mr. Speaker, I must abide by your ruling; but I would simply ask you to review Hansard because I think you will find that the

statement by the deputy leader did refer to a report card of the Minister of Labour. I am simply asking about my part of the report.

Mr. Speaker: Perhaps it did but it was dealing with a very specific topic, I would ask you to keep on that topic.

Mr. Foulds: Given the fact that there are some 25,000 confirmed toxic substances and some 35,000 suspected toxic substances in the work place, and up until this time we have regulations governing two, maybe three, how long is it going to take to get those regulations in place so that we have standards?

Hon. Mr. Ramsay: Mr. Speaker, the honourable member has said we have two in place and possibly a third. I would like to tell him that in addition to coke oven emissions, also approved today by cabinet was vinyl chloride.

Mr. Foulds: Four.

Hon. Mr. Ramsay: I would also like to tell the member—

Mr. McClellan: You should be ashamed of yourself. I was there when the promise was made.

Mr. Speaker: Order.

Hon. Mr. Ramsay: Mr. Speaker, I have two options. One is to get angry and the other is to answer in the manner in which I usually attempt to do. That brings up a very important point. Every single issue that has been raised by the third party in this House to the attention of this Minister of Labour, has been responded to within 24 hours, every single issue.

ACID RAIN

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of Energy. He is aware that part of Ontario Hydro's program to reduce acid gas emissions is to install scrubbers at two of Hydro's 27 coal-fired generating units. Is the minister aware that due to either severe financial conditions resulting from Hydro mismanagement or whatever other reason, Hydro is now considering scrapping this program to install these two new scrubbers? Furthermore, given this fact, has the minister informed the Minister of the Environment (Mr. Norton) of this development, which will have severe implications in acid rain negotiations with our neighbours in the United States?

3:10 p.m.

Hon. Mr. Welch: Mr. Speaker, Ontario Hydro will meet its commitment under the order with respect to those emissions.

Mr. Kerrio: Then how does the minister answer the fact that the plans and specifications for those scrubbers have been put back, and the 12 people who have been waiting out there to bid on the job have been told it is not sure when it is going to go ahead? It appears the minister does not know what is happening at Ontario Hydro. Does he not think it is about time he did?

Hon. Mr. Welch: Ontario Hydro will meet its commitment.

PLANT SHUTDOWNS

Mr. Samis: Mr. Speaker, I have a question for the Minister of Labour. Can the minister tell the House if he is aware that almost 300 men and women in the city of Cornwall have lost their jobs at a plant called Cornwall Spinners, a modern and efficient textile mill? Can he tell the House what he intends to do about it?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the circumstances, but I cannot tell the honourable member what we can do about it. It is the same very sad circumstance that is arising each and every day. There is not a day goes by when I do not have a memorandum on my desk relative to a plant closure or a layoff. It is the market and the economic times we are going through. If I had all of the answers, I probably—

Ms. Copps: You would not be on that side. You would be sitting on this side.

An hon. member: You could be Premier.

Hon. Mr. Ramsay: I probably could be Premier if I had all the answers, that is right.

Mr. Samis: I think the race is crowded enough as it is. The member should stay in his present capacity.

In view of the fact the loss of 300 jobs has a considerable impact on a community the size of Cornwall, would the minister be prepared to make a commitment to establish an emergency task force in conjunction with his colleague the Minister of Industry and Trade (Mr. Walker) to explore the alternatives for the plant? It is only eight years old and underwent a major expansion two years ago. It is modern, it is efficient and it employed 300 people. Would he be prepared to make that commitment to those people?

Hon. Mr. Ramsay: Three hundred jobs in Cornwall is a very serious situation. The layoffs in Sudbury are a very serious situation. Three thousand people are off work in my own riding of Sault Ste. Marie and that is a very serious situation.

I will give the member a commitment. I am

not prepared to give him a commitment that I will set up a task force, but I will discuss the matter with officials from the Ministry of Industry and Trade and, if there is anything we can do, we will be happy to try to do it.

Mr. Sweeney: Mr. Speaker, given the fact the member for Cornwall (Mr. Samis) has just reminded the Minister of Labour that it is a fairly recent, high technology plant, and that he has asked him to consult his colleague the Minister of Industry and Trade, has there been any consultation with his colleague the minister of industry with respect to retraining those 300 workers so that, if that plant is renovated for some other purpose, those workers would be ready to fit into that new purpose?

Hon. Mr. Ramsay: Mr. Speaker, it is my understanding some discussions have gone on. I have not been involved in them personally so I cannot tell the member what has transpired.

FRENCH-LANGUAGE SERVICES

Mr. Roy: Mr. Speaker, I would like to ask a question of my good friend the Minister of Intergovernmental Affairs.

I do not want to be unduly harsh his first day back but will the minister recall that during the 1981 election campaign, when his poor candidate in Ottawa East was in deep trouble, the minister decided, in an attempt to see if he could garner more votes from Franco-Ontarians, to establish a commission?

The Premier (Mr. Davis) would not remember this because, "Keep the promise" was in his vocabulary then and he has not done so since. The minister established a commission to look at French-language services in Ontario and this commission reported back in December 1981.

Considering his deep commitment and the haste with which he set up the commission during the election campaign, can the minister explain why he has not accepted the recommendations of this commission, a commission very favourable to the government?

It suggested the Premier make a clear statement on French-language services in this Legislature. Second, it said: "Cabinet should approve incorporation of a manual of administration." As far as I know, neither of these recommendations have been accepted.

Will the minister confirm that the lateness in accepting these recommendations may lead some people to conclude that this was an unsuccessful attempt on the government's part to garner Franco-Ontarian votes?

Hon. Mr. Wells: No, Mr. Speaker, the member may not make the last assumption. That was a very important report. We were very happy to have it. It was made public, I believe, about the third week in May. I think I tabled it in the House.

Mr. Roy: You have had it since December.

Hon. Mr. Wells: It was not ready for printing and distribution, so everyone could have it, until some time in early May. It is under very active consideration. All the reports are under consideration. The member may recall that as the minister responsible for the Franco-Ontarian affairs, I made a fairly full statement on that matter in this House some time in May. That statement forms the basis and the ground for the kinds of actions we are considering. These things will all be considered in due course.

Ms. Copps: In the fullness of time?

Hon. Mr. Wells: Yes, in the fullness of time.

Mr. Boudria: Mr. Speaker, I have a supplementary to the minister on the topic of French-language services. Could he tell us at what state we are with the report entitled, The Joint Committee on the Governance of French-Language Elementary and Secondary Schools, for which I understand legislation is necessary? Will this be implemented in time for the fall municipal elections?

Hon. Mr. Wells: That question should be directed to my colleague the Minister of Education (Miss Stephenson).

Mr. Speaker: Is the member redirecting?

Mr. Boudria: Can I ask for redirection?

Mr. Speaker: No. Order.

A point of privilege from the member for London North.

Mr. Van Horne: Mr. Speaker, on June 30, I directed a question to the Minister of Natural Resources (Mr. Pope), in the absence of the Minister of Northern Affairs (Mr. Bernier). The question was—

Mr. Speaker: Order. That is a question. I thought the member was rising on a point of order.

Mr. Van Horne: A point of privilege.

Mr. Speaker: A point of privilege. I would have to rule the member out of order. I would ask the member to raise the point after the oral question period. I recognize the member for Hamilton West.

AUDIO LIBRARY PROGRAM

Mr. Allen: Mr. Speaker, I have a question of

the Minister of Education on a subject of rather critical importance to secondary and post-secondary blind students across this province.

For the past few years, an agency known as the audio library program operating out of Trent University has been assisted by the Ministry of Community and Social Services, by the Provincial Secretariat for Social Development and by the Ministry of Colleges and Universities in preparing educational materials widely used by secondary and post-secondary blind students in Ontario.

Can the minister confirm the announcement that her ministry is pulling out of this program at the end of 1982-83? Can she indicate to the House from which financial sources the program should seek funding in order to continue to provide the educational materials essential to blind students who have achieved post-secondary levels of education, if this withdrawal is the case?

Hon. Miss Stephenson: Mr. Speaker, the Ministry of Colleges and Universities has legislative authority to transfer funds to post-secondary institutions for educational purposes.

An innovative and imaginative program was developed at Trent University which is providing service to students, and to institutions, the institutions in which those students study, as a result of the audio service which has been developed.

Over the past several years funds have been allocated, in addition to the enriched grant which is provided to Trent University, in order to ensure that the service would be maintained.

Trent University has been informed that this service should be a matter of its own responsibility, that the funding which is provided may be used for that purpose if the university feels it is appropriate, or it may seek the assistance of its sister universities to provide some funding for the services which are developed for students within those institutions.

We have had ongoing conversations with the president and with the board of that university and those conversations and discussions will continue.

3:20 p.m.

Mr. Allen: In light of the answer, which suggests that individual universities ought to take on what is a province-wide responsibility in this area, and considering that the Ministry of Education funds schools for the blind and that in the past the audio library program has been

funded by the Ministry of Colleges and Universities through contracts to provide such materials for post-secondary and secondary blind students, does the minister not agree that the continued funding of this program really does fall directly within her jurisdiction?

Does it not smack somewhat of buck-passing to suggest that the program should seek piecemeal assistance from individual universities when its recognized benefits touch secondary and post-secondary students across this province?

Hon. Miss Stephenson: I suggested very strongly that if we were purchasing service and materials developed by this portion of the activity of Trent University it would be the Ministry of Education's responsibility to pay for those.

The materials which are developed through our schools for the blind are made freely available to all school boards in the province in order to assist the students whom they have within their jurisdiction. That is a service which has been provided traditionally. If the audio materials are useful to secondary students and if our schools for the blind and other schools feel they are appropriate, we would obviously purchase them from the university.

I do not think this is buck-passing. I believe it is the development of a sense of responsibility on the part of all of us who have some area of concern in education.

Ms. Copps: Mr. Speaker, the minister knows full well that this program offered by Trent University touches students across Ontario, in particular through a volunteer program that was operating out of York University.

I realize that either the Minister of Education or the Minister of Colleges and Universities may be facing tough economic times. With that in mind, I wonder if the minister might seek assistance from her colleague the Premier and take some of that \$20,000 that was spent so lavishly to celebrate the new Ontario Human Rights Code, and put that money where it really counts, to those blind students, so that they can continue to be educated across Ontario.

Hon. Miss Stephenson: Mr. Speaker, I think that is a silly question but we will most certainly continue our efforts to ensure that handicapped students in this province are provided with the best materials that can be developed. That has been the case historically in Ontario and I do not believe that any other jurisdiction has done it better than this province has.

CHRYSLER PLANT

Mr. Wrye: Mr. Speaker, I have a question for the Minister of Industry and Trade in view of his avowed purpose to create more jobs, particularly in the community of Windsor. I know the minister is aware of the tenuous position of the workers at the Chrysler spring plant because of the company's desire, which has been stated repeatedly, to close the facility.

Is the minister aware that on June 29, Chrysler Canada offered to sell its spring plant to Local 444 of the United Auto Workers for the price of \$1 and that the offer was conditional on many complicated aspects? The condition of most immediate concern, however, is the fact that the offer expires 30 days after presentation.

My office spoke with the president of UAW Local 444 this morning. The union leadership expressed its interest in the proposal in principle but says because its membership is on vacation and, indeed, its leadership is on vacation, it cannot possibly convene to fully discuss the matter let alone respond to the offer in the 30-day time limit. Inasmuch as the matter would require the involvement of the Canadian government and perhaps, because of loan guarantees, the American government, the offer could not possibly be returned in that short period.

Given the minister's concern for jobs, is he prepared to take part in the situation, after consultation with the union and the federal level of government, and at least try to prevail upon Chrysler to extend the offer to 90 days?

Hon. Mr. Walker: Mr. Speaker, not only that, I would be prepared to see the Ontario Development Corp. become involved and perhaps even extend a grant that might help them purchase it.

Mr. Wrye: Mr. Speaker, I am pleased to hear the minister indicate that. Could he indicate in some specific detail what action he has taken so far to intercede by getting involved in this offer in a creative manner? Has he consulted with the union on this matter? Has he indicated that he is prepared, for example, to discuss issues such as helping to find markets for the plant products, partially underwriting the initial cost of maintaining plant production, joining in research towards development of better products and co-ordinating with other levels of government to facilitate the acquisition of the plant and its continued running? Can he indicate what he has done so far?

Hon. Mr. Walker: I would have to indicate to the honourable member that the comment I

made about the Ontario Development Corp. being involved was in respect of the purchase price, which he had indicated was \$1, and ODC would be prepared to get involved directly with that, I am sure.

My understanding, having reviewed the information on it, was that the union has rejected it. I read the comments of the union at the time, which were sort of: "Oh, no. You don't expect us to take it over for \$1, do you? You don't expect us to have all those problems you are having with respect to that place?" That was the interpretation I placed on the union's reaction.

If the union feels it needs some more time to make a decision, yes, I will be glad to contact Chrysler personally and suggest that the offer to sell it to the union for \$1 is extended for a further 60 or 90 days. I am sure they would agree with that. It is part of some overall picture and does perhaps relate to the overall question of Chrysler Perkins and how that fits into the equation, but I would be glad to communicate with the union and communicate directly with Chrysler in respect of its interest.

Am I to take from the member's comments that the union is now saying, "Yes, we are interested in it"?

Ms. Copps: This is our question period, not yours.

Hon. Mr. Walker: Don't get your pigtails in a tether there.

Mr. Cooke: Mr. Speaker, I am amazed by the minister's comments. He tries to put the blame on the union for the problems that particular plant is having.

Interjection.

Mr. Cooke: You will have your chance to respond.

Mr. Speaker: Order.

Hon. Mr. Walker: Mr. Speaker, on a point of privilege: The member has no right to impute motives. I did not say that. He is imputing motives, and I do not wish him to do that.

Mr. Cooke: Mr. Speaker, does the minister know that part of the offer this company has made—and it is an offer that he should realize is simply public relations on the part of the company to try to squeeze concessions out of Local 444—part of the deal that is being negotiated between his government, the federal government and Massey-Ferguson and Chrysler is the Perkins engine deal? That is all part of this thing, and it is a negotiating ploy on the part of the company.

Is the minister further aware they have told the union that if the union buys this plant Chrysler will not agree to buy the production from this plant, that the plant will have to compete with plants in Korea, where they pay the workers 75 cents an hour, or in the southern states, where they pay them \$1.25 an hour? Is he aware of that, and does he really believe that Chrysler is being fair and honest with Local 444?

Hon. Mr. Walker: Mr. Speaker, is the honourable member suggesting that Chrysler has not made the offer? I do not think that is the case. They have made the offer and it is up to the union to decide whether it wants it. The member suggests it is a negotiating ploy; whatever it might be, this is the situation that exists.

We understand there is an offer, a proposal, that the union might wish to take up. I would think it probably not unreasonable that this plant would be required to be competitive with other elements in the world. I would not consider that to be totally unreasonable. It seems to me a rather strange situation that they would close themselves in entirely for purchase.

On the other hand, Chrysler might be prepared to negotiate a purchase price and, with respect to the purchase of the goods that are produced there, would be prepared to negotiate that with the union if the union were to take over the company. I am sure it would be on a competitive basis, though.

UNEMPLOYMENT IN NORTHERN ONTARIO

Mr. Laughren: Mr. Speaker, I have a question for the Minister of Industry and Trade. I wonder if the minister has seen the headline in yesterday's Sudbury Star, Tuesday, July 6: "UIC Sudbury's Top Employer: Area Office will pay \$4.7 Million a Week in UIC Benefits." The area economist is predicting that we are facing a 30 per cent unemployment rate in Sudbury later this year.

3:30 p.m.

Does the minister also recall the March 9 throne speech, to which he listened so attentively, and the ringing words of the Lieutenant Governor when he said on behalf of his government, "In northern Ontario, specific social and economic activities will be pursued to enhance the quality of life and the breadth of economic opportunity to that important region of Ontario"?

Could the minister put those two quotes together—the headline from the Sudbury Star

and the promise of his government read by the Lieutenant Governor—and tell us very specifically what it is he and his government intend to do in order to enhance the quality of life and the breadth of economic opportunity in the Sudbury area?

Hon. Mr. Walker: Mr. Speaker, the member has asked me if I read yesterday's Sudbury Star. The answer is no, I have not had a chance to read yesterday's Sudbury Star. We are not on their normal subscription list. At least it comes a few days later in our office.

I will say we have in our government the Northern Ontario Development Corp., the Eastern Ontario Development Corp., and the Ontario Development Corp. This morning the Northern Ontario Development Corp. was meeting and it will no doubt make approvals that will result in a number of jobs being created.

The Ontario Development Corp. met a few days ago and made a number of submissions that were accepted by cabinet. In fact, the total acceptance will result in 239 jobs being created. I would just like to read those to the member, keeping in mind this is the Ontario Development Corp.

In the riding of York Centre, an export support loan of \$250,000 was established that will create four jobs. In the riding of Huron-Middlesex, approval was given for a \$500,000 loan and 30 new jobs will be created in Goderich. That is something the member should keep in mind.

In Grey county, a loan of \$350,000—

Mr. Foulds: Mr. Speaker, on a point of order: The member asked specifically about the Sudbury basin. These figures, interesting and minuscule though they are, do not apply to the Sudbury basin.

Mr. Speaker: Thank you. The question was to answer specifically what programs were in place for northern Ontario.

Hon. Mr. Walker: Mr. Speaker, what I was indicating was the nature of the Ontario development corporations. The Northern Ontario Development Corp. was meeting this morning and in a few days will have a list of the approvals that will go through cabinet and will result in a number of jobs being created there.

To give the member some indication of the kinds of things we are doing, I am reporting on a number of jobs that have happened as a result of approvals that were made this morning, and we can identify many, that come out to 239 jobs just today, created by the approvals given by the

Ontario Development Corp. That is something to keep in mind.

Those fellows continue to talk about all of the negatives. They create all of the negatives in this world and I am sick and tired of them continually being negative. When are they going to be positive for once?

Mr. Speaker: Order.

Mr. Laughren: I guess when the minister has nothing to say he blusters.

Does the minister not think it is about time that his government told the federal government, rather than spending \$4.7 million a week for people who are not at work, to put up the equivalent kind of money to put people back to work and rebuild the economy of this province?

Hon. Mr. Walker: Yes, I am prepared to say that to the federal government.

CHEMICAL SPILLS

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of the Environment. The minister is no doubt aware of the numerous chemical spills that have taken place in the Junction triangle area. The latest one happened on June 18. On that day I asked the Deputy Premier (Mr. Welch) to check into the spill and I thought he had indicated to this House that a statement would be forthcoming. But none has been forthcoming.

Can the minister tell us today whether indeed there were three spills on June 18? What kind of chemical substances were found? Which was the polluting industry? Is he prepared to do that today?

Hon. Mr. Norton: Mr. Speaker, I do not have a statement as such that I can deliver. I can assure the honourable member that the investigation into the spills—we believe it is plural—on that particular date is still under way. It turned out to be a very complex situation, because as the investigation proceeded we became convinced there were as many as four spills during the course of the evening and the early morning of the following day. Without being specific at this point, because we have not yet determined whether sufficient evidence exists to lay charges, the investigation is substantially complete on two of the spills. On what we believe to be the third and the fourth, investigation is still going on.

One of the problems we have encountered, not only in this instance but in others, is the timing of the notification the ministry has received. For example, on one occasion I under-

stand the first call was not to my ministry but to Environment Canada. We were called and our staff went to the scene as quickly as possible. But on a number of occasions, by the time we arrived the fire department, often being first on the scene, had flushed the chemical down the sewer. That has made it very difficult for us to come to any firm determination in some instances, especially if the quantity involved was small.

All I can say at this point is that the investigation is continuing. I am not yet in a position to determine whether there is sufficient evidence to lay charges. There are four outstanding charges against Nacan relating to the earlier spill in the spring. I believe those charges are to be brought before the court this week. The date of July 8 sticks in my mind, but I am not sure whether that is correct. I met with the mayor of Toronto towards the end of last week, at which time we discussed, among other things, improved communications to ensure my ministry would not be one of the last to be notified in instances where a spill is suspected, but rather would be notified very early so we can be on the scene and get the necessary evidence readily.

Mr. Ruprecht: I must admit I am fairly disappointed, as I hope the minister can understand, that immediate action has not taken place.

As the minister knows, Bill 24, which imposes increasingly severe penalties on proved polluters, received third reading in December 1979. The minister has had more than ample time to draw up the regulations for the enforcement of the bill. Since I am having another meeting with the residents of the Junction triangle area tonight, can I tell the residents who are exposed to chemical spills just when the ministry will act to proclaim this bill as law? Can I tell them tonight when the minister will do that?

Hon. Mr. Norton: If I know the bill the member is referring to, and I think I do, a commitment has been made that the regulations, prior to their enactment, will be taken before the standing committee on resources development. We have not had an opportunity to do that at this point, because the committee was late in beginning to deal with the estimates this year. To the best of my knowledge, it has not had any time to deal with this matter. I hope we will get a dispensation to bypass the committee and not honour that commitment. Otherwise, we will presumably have to wait until the fall to honour that commitment.

I can understand the member might say he was disappointed, but I suggest to him, with

great respect, that his disappointment arises largely out of his lack of comprehension of the complexity of the problem.

3:40 p.m.

EMISSARIES OF DIVINE LIGHT

Mr. Philip: Mr. Speaker, is the Solicitor General familiar with the reports about the way in which the Emissaries of Divine Light are allegedly trying to attract children to the cult's Kingsview Centre in Aurora? Will he inform the House of what action his ministry has taken to investigate it?

Can he explain what his government is doing to ensure that cults are identifying themselves honestly in their literature, particularly when they are trying to attract children into camps through programs such as birthday parties and the other programs that have been reported?

Hon. G. W. Taylor: Mr. Speaker, other than through the news media, I am not specifically aware of the group called the Emissaries of Divine Light. As I think the study by Dan Hill on cults stated previously, if they are not involved in a criminal activity then the police departments or the law officers of the crown would not be acting on any matters. One cannot judge a cult other than by its activities in the area of a criminal activity. If it is not involved in criminal activity then it would not be under surveillance by the police or attract any criminal charges as such.

Mr. Philip: Is the minister not even investigating the allegations of the parents in that neighbourhood? In particular, is he as concerned as the people in Aurora about the boy at Devins Drive Public School who distributed leaflets on the camp to his pals, which show a note written as follows: "Dear Friend: Here is a special invitation to join a summer exploration."

The leaflet does not indicate what particular organization is sponsoring the camp. There is no mention that it is the Emissaries of Divine Light.

Hon. G. W. Taylor: On the facts the member has given me, I would suspect that if a piece of paper had no indication as to who it was from one would have some difficulty labelling that it came from that particular organization.

Be that as it may, I will inquire as to what, if anything, the local police force is doing in regard to that particular area and report back to the member as to what might be happening in regard to the cult he has named and its activities.

I might remind the member that if it is not within the confines of a criminal activity then we would not find that the police are investigating, nor would this ministry investigate. I suspect many pieces of literature go out. There is particular legislation under the Criminal Code with regard to particular types of literature, but there are many pieces of literature that are disseminated throughout the community that bear no labelling as to what they are in regard to. Indeed, I think some of them even have a political connotation, but we do not go about investigating, either through the police force or in any other manner, as to what those pieces of literature happen to be.

If someone is putting forth a piece of literature, one would hope it is not being used for the purposes suggested by the member, but we will have the police force investigate in regard to that matter.

ONTARIO RENTER-BUY PROGRAM

Mr. Kerr: Mr. Speaker, I have a question of the Minister of Municipal Affairs and Housing. Has the minister some general information on the number of applications to date for the \$5,000 loan under the Ontario renter-buy program? If he has information on that, possibly he also has an idea of how many applications have been approved up to now, and particularly how many of those are outside Metropolitan Toronto?

Hon. Mr. Bennett: Mr. Speaker, I have had a daily record of the events taking place under the renter-buy program. I am delighted with the member's question because it gives some indication of the interest that has been expressed in the program throughout Ontario. There have been more than 18,000—

Ms. Copps: Mr. Speaker, on a point of order, just to set the record straight: In view of the fact this is a rather set-up question, I might point out to the Speaker that we are already five minutes past question period. Will you extend to this side of the House the same privileges you extend to the other side for set-up questions?

Mr. Speaker: That is hardly a point of order. I might say as a result of this, however, that the same privileges were extended to everyone.

Ms. Copps: We are six minutes over.

Mr. Speaker: In actual fact, we have not gone over by six minutes. The Minister of Municipal Affairs and Housing may answer the question.

Hon. Mr. Bennett: The member for Hamilton Centre believes this is a set-up question. I have said all along that I have had these statistics for

the last number of weeks in anticipation there would be some interest on that side of the House in a program introduced in the May budget that has produced something rewarding for the economy of Ontario. I am delighted somebody has decided to ask the question.

Mr. Speaker: Would the minister answer the question, please?

Hon. Mr. Bennett: Indeed I will, Mr. Speaker. There are at present 2,200 applications that will qualify for the \$5,000 interest-free loan under our renter-buy program.

The question asked was, what is the relationship between Metro and outside of Metro in this program? Of the applications received to date, about 1,230 have been from Metro and there are just short of 1,000 from outside the Metro area who will qualify.

One of the interesting statistics I would like to leave with the House and in a public position is that when we were contemplating the program we were looking at renter-buy as having a significant impact in opening up a number of rental units in various areas of the province. We felt about three quarters of the applications would likely—

Ms. Copps: This is a ministerial statement; come on.

Hon. Mr. Bennett: Would the member just sit and listen for a moment? It might be rewarding.

Ms. Copps: You are already 10 minutes over time.

Hon. Mr. Bennett: She takes her time asking questions and opening up her—

Mr. Speaker: Would the minister just address himself to the question, please?

Hon. Mr. Bennett: Yes, I will, without using some of the verbiage the member uses on occasion. The applications we are dealing with at present—

Ms. Copps: You are using the verbiage, not us.

An hon. member: Sheila has to exercise her screech before the end of the session.

Hon. Mr. Bennett: I agree.

About 1,240 renters have made applications that will be approved. There are just short of 1,000 first-time buyers, which is the other interesting part of the program. The program has been positive and there are a number of other applications coming forward at present through the lending institutions.

I will be meeting with the federal minister, Mr. Cosgrove, on July 19 to review with him the

compatibility of some of the programs introduced by Mr. MacEachen a week ago Monday in the federal budget as to whether we can expand provincial or federal programs to make them even more conducive to stimulating activity in the housing industry in this province.

FIRE TRUCK LICENCE

Mr. Van Horne: Mr. Speaker, on a point of personal privilege: Last week, on June 30, I directed a question to the Minister of Natural Resources (Mr. Pope) about a licence fee for a fire truck in an unorganized community in northern Ontario. In response, he promised to get back to me yesterday. I still have not had a reply from him or from the Minister of Northern Affairs (Mr. Bernier). I wonder if it is appropriate to bring that to his attention.

Hon. Mr. Bernier: Mr. Speaker, I would be glad to respond. The Minister of Natural Resources did pass the member's question on to me. I want to assure the member that members of my staff have been in touch with the people in Aweres township and are working out the problem with the Ministry of Transportation and Communications.

MUNICIPAL ELECTION REFERENDUM

Mr. Epp: Mr. Speaker, on a point of privilege: Yesterday, in response to a question by the member for Brant-Oxford-Norfolk (Mr. Nixon), the Premier (Mr. Davis) indicated he was going to make a statement today with respect to private member's Bill 133. The Premier was in the House earlier but he did not make that statement. In his absence, does someone have a statement to make with respect to the termination of that bill?

Mr. Speaker: I have no idea, but I would think it would be taken note of and that some kind of answer will be given you.

3:50 p.m.

RESPONSE TO WRITTEN QUESTION

Mr. Sweeney: I have a point of privilege, Mr. Speaker, on behalf of my colleague the member for Essex South (Mr. Mancini). You will know that my colleague is in hospital.

The member for Essex South put question 203 on the Order Paper on June 2. There was an interim answer on June 7; the answer itself, as printed in the Order Paper, was to be available on June 30. I do not want to anticipate the acting

House leader, but we are wondering if he has the answer available today.

Hon. Mr. Gregory: Yes, I do.

PSYCHIATRIC HOSPITALS DISPUTE

Miss Copps: Mr. Speaker, on a point of privilege: Yesterday the Minister of Health (Mr. Grossman), in response to a question I posed with respect to the negotiations with the psychiatric institution doctors, stated that these negotiations are handled by a different committee headed by the Civil Service Commission. In fact, it is my information that two of the members of the committee are employees of the Ministry of Health and that negotiations are reported directly to cabinet. I would suggest that the minister has inadvertently been misinformed and that he should take the time to correct the record in view of the fact that there is the potential for mass resignations by the doctors pending shortly.

LEGISLATIVE PAGES

Mr. Speaker: Just before proceeding, I am told that we may not be here many days longer. I would just like to—

An hon. member: Why not?

Mr. Speaker: It is just a rumour. I would just like to extend thanks on behalf of all members to the pages, who have voluntarily extended their time—well, not voluntarily, really, but they did see fit to stay with us—and we very much appreciate it.

[Applause]

Mr. Nixon: Does your reference to voluntarily mean that we are not paying them?

Mr. Speaker: Order. No, I corrected that. I said “not quite voluntarily.”

PETITIONS

QUEEN STREET MENTAL HEALTH CENTRE

Mr. McClellan: Mr. Speaker, I have three petitions. Two of them are from residents who live in the immediate vicinity of the Queen Street Mental Health Centre. The first one reads:

“To the Lieutenant Governor and Legislative Assembly of Ontario: We are petitioning for more care of the patients at the Queen Street Mental Health Centre in order to keep them from wandering at random throughout the community. Patients who get out into the community are causing property damage, harassing

people and, in some instances, frightening both children and adults. As well, the patients are in danger of personal injury caused by their own acts.

“We feel that at the present time the hospital is not fulfilling its duties to the community or the patients. We do not want to see a secure unit in operation at this hospital until such time as the hospital has rectified its problems due to inadequate staffing and programming.

“We feel strongly that the community should be allowed to participate in setting any major policies at the hospital level that will in any way affect the community.” It is signed by over 350 residents who live in the vicinity of this provincial mental health centre.

The second petition is also signed by over 275 residents living in the vicinity of the same provincial mental health centre:

“To the Honourable Lieutenant Governor and Legislative Assembly of Ontario: We the undersigned beg leave to petition the Parliament of Ontario as follows:

“1. We condemn the construction of the secure unit at the Queen Street Mental Health Centre and want it dismantled immediately.

“2. We insist on a moratorium on any further changes at the Queen Street Mental Health Centre.

“3. We demand a community board of control which will properly represent the interests of the local community, patients and ex-patients.”

Mr. Speaker, a number of citizens from this committee are visiting in your east gallery.

TAX ON CLOTHING REPAIRS

Mr. McClellan: Mr. Speaker, the third petition is familiar to all of us. It is a petition by members of the Dry Cleaners and Launderers Institute (Ontario) and its customers at Russell Cleaners, 576 St. Clair Avenue West, in the great riding of Bellwoods:

“We, the undersigned customers, support the protest of the June 14 expansion of the Ontario provincial sales tax that imposes this tax on charges for repairs and alterations to clothing by dry cleaners and launderers. We urge the Honourable Frank S. Miller, the Treasurer of Ontario, to withdraw this application of his May 13, 1982, budget since it is unfair, inequitable, inflationary and an added hardship, especially on the elderly, the unemployed and the working poor.”

RETAIL SALES TAX

Mr. Ruprecht: Mr. Speaker, I have two

petitions. One, from my constituents of Parkdale, reads very briefly:

"We, the undersigned citizens, are strongly opposed to the unfair seven per cent added tax on fast foods, chocolates, soft drinks, ice cream, personal hygiene items, etc. We strongly urge the Davis government to withdraw this senseless tax."

There will be hundreds of these petitions handed in at a later date, but I will give you this one for now.

TAX ON CLOTHING REPAIRS

Mr. Ruprecht: The second petition is the one you are familiar with, and it comes from the Dry Cleaners and Launderers Institute (Ontario) and its customers:

"We, the undersigned customers, support the protest of the June 14 expansion of the Ontario provincial sales tax that imposes this tax on charges for repairs and alterations to clothing by dry cleaners and launderers. We urge the Honourable Frank S. Miller, the Treasurer of Ontario, to withdraw this application of his May 13, 1982, budget since it is unfair, inequitable, inflationary and an added hardship, especially on the elderly, the unemployed and the working poor."

BUDGET

Mr. Boudria: Mr. Speaker, I have a petition signed by 133 residents, mostly of the Scarborough area. The petition was brought to me by Mr. Bill Widdowson and reads as follows:

"The budget that was brought down this week by Frank Miller is an insult to the Canadian citizen. It is time to stop reaching into the pockets of the working people every time our government makes mistakes when spending budget money we can ill afford to squander. The Suncor deal and the jet that is used for government joyriding are just two examples of the waste of tax dollars by the Tory government.

"The ineptitude of the budget minister only goes to show the inability of the PC provincial party to supply the answers. They have put the working individual into such a quandary as to where the extra money for this tax will come from. Let us tell them to resign and allow the proper people to do the job that is required."

Of course, we all know who the proper people are.

REPORTS

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and other statutory instruments presented the committee's second report, 1982.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Harris from the standing committee on resources development presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 115, An Act to amend the Retail Sales Tax Act.

Mr. Speaker: Shall the report be received and adopted?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the ayes have it.

Motion agreed to.

Ordered for third reading.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of the Solicitor General be granted to Her Majesty for the fiscal year ending March 31, 1983:

Ministry administration program, \$6,216,500; public safety program, \$22,626,000; policing services program, \$9,920,000; Ontario Provincial Police, management and support services program, \$50,502,000; operations program, \$195,299,000.

4 p.m.

MOTIONS

STANDING COMMITTEE ON GENERAL GOVERNMENT

Hon. Mr. Gregory moved that the standing committee on general government be authorized to meet during the summer adjournment, during the time allotted to the committee under the schedule of meetings agreed to by the three party whips, to consider Bill 159, An Act to revise the Planning Act, and Bill 194, An Act to amend Certain Acts in respect of Planning and Related Matters.

Motion agreed to.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Hon. Mr. Gregory moved that the standing committee on resources development be authorized to travel to Windsor, Sudbury and Thunder Bay during the week of September 14, 1982.

Mr. Laughren: Mr. Speaker, is it permissible to speak briefly to that motion?

Mr. Speaker: Yes, go ahead.

Mr. Laughren: I was surprised at the wording of the motion that specified the three cities that would be travelled to and the dates, because in the committee, of which I am a member, my understanding was that it should be left up to the committee and not to a motion in the House.

Hon. Mr. Gregory: What? The dates?

Mr. Laughren: The dates and the particular cities.

Mr. Speaker: It is not the specific dates; it is just the week of.

Hon. Mr. Gregory: Having read it, I do not remember what the dates were.

Mr. Speaker: The week of September 14, 1982.

Hon. Mr. Gregory: The chairman of the committee tells me that was what was planned by the committee. It was the week of September 14.

Motion agreed to.

SUMMER RECESS

Hon. Mr. Gregory moved that when the House adjourns today, it stands adjourned until Tuesday, October 12, 1982, provided that if it appears to Mr. Speaker, on the advice of the government, that the public interest requires the House to meet at an earlier time during the adjournment, Mr. Speaker may give notice and thereupon the House shall meet at the time stated in such notice, and that should Mr. Speaker be unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of committees of the whole House shall act in his stead for the purposes of this order.

Motion agreed to.

INTRODUCTION OF BILLS

MALVERN WASTE REMOVAL ACT

Hon. Mr. Pope moved, on behalf of Hon. Mr. Wells, seconded by Hon. Mr. Bernier, first reading of Bill 174, An Act to provide for the

Removal of Certain Waste from the Malvern area.

Motion agreed to.

SECURITIES AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Gregory, first reading of Bill 176, An Act to amend the Securities Act.

Motion agreed to.

MOTOR VEHICLE ACCIDENT CLAIMS AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Gregory, first reading of Bill 177, An Act to amend the Motor Vehicle Accident Claims Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, today I am introducing for first reading amendments to the Motor Vehicle Accident Claims Act. These amendments include a mechanism to allow motorists who have had an automobile accident in Ontario, with a claim or judgement against another motorist who has insurance with an insolvent insurance company, to make a claim against the motor vehicle accident compensation fund up to the mandatory third party liability limit in force at the time of the accident. In addition, they will eliminate the necessity of a claimant taking court action in every instance to make a claim against the fund.

Most important is the fact that these amendments will protect policyholders from being held personally responsible for paying back the fund if a claim is paid out on their behalf. Under existing legislation, these policyholders would be obligated by the same rules that apply to uninsured drivers and owners who may have writs of execution filed against them. These drivers are obligated to repay the fund in a lump sum or by way of monthly payments to avoid suspension of their drivers' licences. The fund will, of course, reserve to itself the right to be reimbursed by the receiver out of the realizable assets of an insolvent insurance company for any funds paid out.

It should also be made very clear that these amendments apply only to companies which are not paying claims or which the Lieutenant Governor in Council determines cannot pay claims on judgements. If this is his opinion, he will formally declare these companies designated insurers.

PENSION BENEFITS AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr.

Gregory, first reading of Bill 178, An Act to amend the Pension Benefits Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, I am pleased to introduce for first reading certain amendments to the Pension Benefits Act which are necessary to fully implement our earlier commitment to the increased security of employees' pension benefits in Ontario. Other amendments will also allow for pension income to be used to meet otherwise unsatisfied orders for support or maintenance following separation or divorce.

While serving as Minister of Labour, I was one of many observers concerned by the number of plant closures and layoffs and the ensuing potential for loss of pension entitlements. It was apparent that some form of pension guarantee fund was needed.

As a result of those concerns, the then minister, the member for Scarborough Centre (Mr. Drea), moved quickly to amend the Pension Benefits Act by introducing Bill 214, establishing the basic principle of the fund, with the details to be set out later by regulation. During the writing of these regulations in 1981, however, it soon became clear that the act would require further amendments to allow us to carry out its original intent.

The first group of today's amendments makes up the housekeeping changes needed for us to do what we set out to do in late 1980; that is, to guarantee pension benefits following the windup of a defined pension benefit plan. These amendments will clarify the ways in which we can attain that goal.

In Bill 214 the employees were given a lien on the employer's assets for employee contributions to a pension plan collected by the employer, as well as accrued employer contributions. These provisions were modelled on section 15 of the Employment Standards Act, which provides similar protection for vacation pay.

Unfortunately, this protection has resulted in different legal interpretations on the extent of the lien. An argument has been advanced that the amount of the lien includes an employer's potential future liability on the windup of a pension plan. This was never intended and is not necessary to provide the required protection. The amendment to section 23 clarifies the intent of Bill 214.

4:10 p.m.

The final set of amendments, which are new and are put before the House today, make up

the only real expansion of the Pension Benefits Act; they propose changes that will allow for the attachment of pension benefits to satisfy an outstanding support or maintenance order enforceable in Ontario.

At present, pension income cannot be used to satisfy a court order for support under the federal Divorce Act or another province's orders for support or maintenance that are otherwise normally enforceable in Ontario. In 1978, a single exception was made to this principle, allowing pension plan income to be used to satisfy court orders made under the new Ontario Family Law Reform Act.

It does not seem logical that pension income can be used to satisfy support orders made under the Family Law Reform Act, but not orders made under other federal or provincial legislation across Canada. This state of affairs is confusing to the public and clearly unfair. Today's amendments will enlarge that exception to include all orders for support or maintenance enforceable in Ontario, including those issued under the Divorce Act.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Gregory: Mr. Speaker, I am tabling the answers to questions 95, 143, 144 and 145, 203, 219, 229 and 251 and the interim answer to question 226 standing on the Notice Paper. [See appendix A, page 3586].

ORDERS OF THE DAY

MUNICIPAL BOUNDARY NEGOTIATIONS AMENDMENT ACT

Mr. Rotenberg moved, on behalf of Hon. Mr. Bennett, third reading of Bill 62, An Act to amend the Municipal Boundary Negotiations Act.

Mr. Epp: Mr. Speaker, this bill was referred to the standing committee on administration of justice for one day's hearings, where we had a number of representatives, both from Tiny township and from Vespra township, and from the town of Midland, and one representative from the city of Barrie.

Most of those people at the hearings yesterday were in opposition to Bill 62 for a number of reasons. One of the reasons they gave was that under the present Municipal Boundary Negotiations Act, municipalities may proceed and have some kind of negotiations and then eventually go to the Ontario Municipal Board, if the

minister permitted it, and have some resolution of their problem there.

In the present situation, Midland made an application to annex some property from Tiny township. Obviously, Tiny township objected to that. Now Midland wants to withdraw that application and go another route. The way it stands, Midland has everything going for it. First of all, they can either go the route which they originally chose and go through an Ontario Municipal Board hearing and then appeal from there if they do not like the decision, or they can go through the Boundary Negotiations Act, if this bill passes. The same thing applies to Barrie.

We feel very strongly that there is no option for Vespra. First of all, they have to spend their money on legal costs and everything else to object to somebody taking their land. Second, the town of Midland and the city of Barrie may go any route they wish. We feel that both these townships are clearly being raped by the municipalities next to them and that the government of Ontario is a party to that rape. They are a party to that, and they are bringing in special legislation to have it occur. We very much object to Bill 62.

Another basis for objection is that the parliamentary assistant indicated to this House on December 17 that any application or proceeding before the Ontario Municipal Board would stay there and they would have two years to resolve that. After that period of time, they would have to proceed under the Municipal Boundary Negotiations Act, otherwise known as Bill 147 last fall. If they proceeded under that act, they should remain under it.

Tiny township and Vespra township both want to follow that procedure, which was clearly laid out for them. Now the government of this province is accommodating a few other municipalities. They have found another way of proceeding which they think is going to be more acceptable to those municipalities.

We have no objection to the procedure that is outlined in Bill 147. We were proponents of that procedure, we supported that procedure and we support it today. We have absolutely no objection to that procedure. Our objection is that the act, which was originally Bill 147, the Municipal Boundary Negotiations Act, permitted municipalities which had not proceeded to the municipal board at that time to go that route. The parliamentary assistant clearly indicated last December that municipalities which wanted to go the old route and had proceeded that way

could go that way, through the Ontario Municipal Board.

Now the government is changing the tune. They are changing the way that procedure should occur for those municipalities, and they are putting everything to the advantage of the larger municipalities, the urban municipalities, which want to raid some of the territory of the smaller municipalities. We object to that.

Mr. Breaugh: Mr. Speaker, just briefly, I want to say that in the course of the committee hearings yesterday, I was impressed with the quality of the debate and argument presented to the committee by representatives of both Tiny township and Vespra township. Members who take the time to read the Hansard will see clearly that in both instances those representatives felt very strongly that they had been deceived, and I agree with them.

They felt there were clear assurances given by the parliamentary assistant that those two disputes, which already have been before the board, would have been excluded from that Municipal Boundary Negotiations Act and that they would be given their day in court and in due course would be served. Both are prepared to proceed in that manner and are prepared to live with the rules as they understood them when they entered into the argument.

I regret very much that the members of the government party on the committee refused to pay much attention to those arguments. In fact, they chose for the better part of the afternoon to ignore them. When it finally came time to vote, they chose once again to carry on with some kind of a vendetta against these two small rural townships.

I regret that this is the case. I think they found an unfortunate lesson in politics in Ontario yesterday afternoon. I regret that this bill treats those two municipalities, as I believe, unfairly; it changes the rules in midstream. They did get their day in court, for which we should be grateful and we are. Unfortunately, it was hardly an occasion on which the members listened and responded to a reasoned argument.

It appeared to me yesterday when the votes were cast that the decision had been made a long time ago, for whatever reason I cannot fathom; that these two townships were given some kind of special attention by the Minister of Municipal Affairs and Housing (Mr. Bennett), attention which they do not deserve. They have not been given a rational response by the government, and this bill is an unfortunate answer to a question that really needs no further

embellishment. They thought they had a set of rules. They thought there was a clear understanding, and clearly that understanding has been broken.

Mr. Rotenberg: Mr. Speaker, I will be very brief. The member for Oshawa (Mr. Breagh) is correct. Lawyers are not "the people." The lawyers for Vespra and Tiny—the high-priced lawyers the member for Brant-Oxford-Norfolk (Mr. Nixon) always refers to—put on a great show yesterday but, unfortunately, they misinterpreted the remarks I made last December and misinterpreted that purport of the bill.

It is very plain and very clear that municipalities which bring an action always have had the right of withdrawal and have the right to withdraw under Bill 147. But because other lawyers tried to interpret it differently, we brought this bill forward to clarify the law. That is the only reason it is here before us. I resent such remarks as a—

4:20 p.m.

Mr. Epp: Mr. Speaker, I have a point of order. They could proceed and they could withdraw, but they could not proceed before last December 17 under another act. They had to go right back to the Ontario Municipal Board. The parliamentary assistant obviously is inadvertently misleading this House by saying they could withdraw and then proceed again.

Mr. Speaker: With all respect, that was not a point of order.

Mr. Rotenberg: I did not say that. I said they had the right to withdraw, and they always did. As I was trying to say, we brought in this legislation to clarify the law. The remarks about rapes and vendettas are, quite frankly, totally out of order and totally without foundation.

What I said last year was not what the member for Waterloo North (Mr. Epp) said. I did not say last year that those before the OMB would stay there. That was the quote from the lawyers. I did not say that. The member for Waterloo North, who is a lawyer, must have read Hansard very carefully. What I said was that those before the municipal board would play by the old rules, and the old rules allow them to withdraw. Those are the rules they are playing by.

This legislation is to clarify the law. It changes nobody's position. It is no reflection on taking sides with anybody, small or large. As a matter of fact, it is my opinion that the small municipalities are better off under this legislation. I commend the bill to the House.

Mr. Speaker: Mr. Rotenberg has moved third reading of Bill 62.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Hon. Mr. Welch moved second reading of Bill 168, An Act to amend the Legislative Assembly Act.

Mr. Nixon: Mr. Speaker, my colleagues and I have examined the bill carefully and in detail and I am authorized to tell you and the other members of the House that we intend to support it.

Mr. McClellan: Mr. Speaker, I want to say on behalf of my colleagues in the New Democratic Party that we also intend to support it.

Motion agreed to.

Third reading also agreed to on motion.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Ashe moved third reading of Bill 115, An Act to amend the Retail Sales Tax Act.

Mr. Speaker: The member for Brant-Oxford-Norfolk.

Mr. Cooke: Wherefore art thou, members?

Interjection.

Mr. Speaker: I beg your pardon?

Mr. Nixon: I said, "Darn it."

Mr. Sweeney: That's not what he thought, but that's what he said.

Hon. Mr. Gregory: Mr. Speaker, on a point of order: Just a clarification before beginning; perhaps it will give him time to get his member in.

We had agreed among the House leaders to share the time on this bill. I understand that still holds true. Each opposition party will have 40 minutes and the government party will have 20 minutes. Is that agreed?

Some hon. members: Yes.

Mr. Speaker: Agreed.

Mr. Peterson: Mr. Speaker, this is the culmination of a long discussion that started about a month and a half ago. Of course, we in this party will be voting that this bill not be read the third time for a number of reasons that have been discussed at great length in the committee and in this House.

I want to make a few remarks today about the

process and about the budget. It is not my intention to thresh old straw or to go into all the details of why we are against it. That has been discussed eloquently and well by members of my party. I commend to the members the speech in committee today of the deputy leader of this party, the member for Renfrew North (Mr. Conway), who articulately and passionately laid out the position of this party—

Hon. Mr. Ashe: And lengthily.

Mr. Peterson: Lengthily indeed, and well worth listening to. That was coupled with the remarks of the finance critic, the member for Rainy River (Mr. T. P. Reid), and the excellent work done on the committee by the member for Kitchener (Mr. Breithaupt) and the member for Ottawa East (Mr. Roy). I do not want to go into all those matters again.

If I may, I just want to speak of what has transpired since the budget date of May 13. Members will recall we read the budget with great alarm that evening. I suspected the Treasurer (Mr. F. S. Miller) went through a variety of his options and made the worst judgement he could have in the circumstances. He decided to forgive taxation in certain areas but to extract taxation in certain other areas. One recognizes that for every time one bestows a benefit in society, that generally costs someone else. There are some winners and some losers. In my judgement, the people the Treasurer decided to punish, through taxes in his new budget, have every right, as they have right across this province, to express in the most forceful ways possible their complete disapproval of this taxation philosophy.

What we saw in that budget was a change in the philosophy of taxation. We saw a move away from the progressive system which we, as Liberals, believe in passionately, taxation that is based on the ability to pay, and we saw a major move towards flat consumption and regressive taxes. We saw this shift to tax the municipalities; as a result of this, we are going to have higher property taxes.

We saw a shift on to the poor, the lower-income families who have less capacity to deal with these taxes than people at higher income scales. I suspect to people at higher income levels a lot of these taxes are just a nuisance, but a large sector of society today, an already beleaguered population, will be adversely affected. Mr. Speaker, in your capacity as a constituency politician, which ultimately all of us including the Premier (Mr. Davis) are, you will know literally thousands of individuals and families

who are adversely affected by this unfair budget.

We understood that on May 13. At the risk of being a trifle immodest, we were probably a wee bit ahead of the rest of the population in seeing that. As a party we chose, as the rather dramatic signal of our displeasure, not to show up to vote for a couple of days. Even though the bells rang over the weekend, and I know the Speaker did his share of sitting in the chair, in the final analysis we held up House business for some five and a half hours.

Some people felt that was the wrong thing to do in the circumstances. There is no question that a number of editorialists across the province felt it was an improper use of House rules. A number of those same editorialists in hindsight are now saying we used the rules intelligently and fairly. We did nothing illegal. We violated no rules. What we did was we used the limited weapons we have available in opposition to show a population that did not yet clearly understand the implications of that budget, that this was far worse than they originally suspected.

Then, as members will recall, we had to use other parliamentary devices to bring our concerns to the forefront of the Legislature and the people of this province, not once doing anything that was improper or that violated the rules of this House. Let me say that had we been a little more subtle or had we decided to just do what the government would have us do in the circumstances, the budget, which the government will ram down our throats today in the form of the Retail Sales Tax Act, would have been worse than it even was at the beginning.

We used our power to bring these matters to public attention. As they understood it, they agreed with us and they started to show their visible support right across the province. We have had many representations from many groups everywhere.

4:30 p.m.

The government knows our position. Today, we moved to exempt meals under \$6, hygiene products, energy conservation and alternative energy devices, labour and the passing of taxation to municipalities and school boards, periodicals and magazines, as well as certain low-priced confectionery items. The government used its majority to defeat our amendments.

But it did at least do something extremely constructive for the parliamentary process. It was the first time in parliamentary tradition, as I understand it—and I have not searched all the

precedents—that a tax bill was forced to committee after the fact.

I am proud of that small step forward, because I remind members that we were fighting two fights: we were fighting a bad budget, which was the focus of our venom; but we were also fighting the process, we were trying as constructively as we could in the circumstances to use this budget to prove why we had to improve the budgetary process. Indeed, in that regard we have a number of very constructive proposals.

I do not believe that the Treasurer is alone in his deficiencies in this regard. We have also used the budgetary process at the federal level to prove again why we must bring some sunshine into the entire process.

We put these proposals forward. We believe that the Treasurer could seize this opportunity to bring to this House a white paper on budgetary reform that we could discuss through one of the committees here, that we could have far more public input, that there is no reason for the old secrecy which one used to argue protected the integrity of the stock market or whatever.

We believe that people in a democratic society should have a chance to make their input, particularly in areas that affect them. As a result, we have laid before the members of this House for their consideration a plan whereby major tax changes could be published in a white paper. It would go to a standing committee of this House and people potentially affected could have their say before the fact.

How constructive is it to utilize the majority of the intellectual energy of this House trying to clean up a bill after the fact? How intelligent is that really? If we had had some idea of what the Treasurer was going to do before the fact—that he was going to tax summer camps, Meals on Wheels or students in residences—those people could have come forward and said: “Mr. Treasurer, do you realize what you are doing? If you are going to do it, at least let us work on the regulations this way or the other way. But let us at least allow you to fully understand the implications of what you have done.”

It is my contention, yet to be proven wrong, that the bureaucrats and the deputy minister—who just walked in and is a new bureaucrat, known for some competence, I guess, as an administrator but obviously incompetent as an adviser on tax policy—came in here with a budget that has substantially embarrassed his minister, did not think it out.

I know there was conflict between certain officials of the Ministry of Revenue and certain

officials of the Ministry of Treasury and Economics. They said, “You cannot do that; you cannot administer it.” We know about those discussions; we are not stupid. We are familiar with the back talk over there as well as what their own back-benchers say privately. We know about those discussions saying: “You cannot implement this. This is silly.” And still the regulations, a month and a half after the fact, are not forthcoming.

It is a joke to phone the Ministry of Revenue and ask: “How am I supposed to apply this tax? What are the rules?” You get three or four different answers. It is one cookie this, four cookies that and six cookies something else. They make a mockery of the system. And then we talk about a lack of faith in the parliamentary system or in the laws we pass, presumably as reasonably intelligent people.

People ask: “How could you do such silly things? How does what you are doing build respect for the law?” Then we bring people to the committee who say: “We are going to cheat on the law. You are just encouraging people to cheat.” And you know what? The Treasurer laughed. He probably said, “They have cheated before.” What kind of a Treasurer would openly brook that kind of conduct?

It seems to me that when a law, particularly a tax law, is brought in, it must be clear and it must be enforced. Obviously, if a tax law or any law enjoys a wide degree of public support, the Treasurer is going to have a much easier time enforcing it. But when blatantly unfair laws are brought in a lot of people do not feel obliged to follow them and cheating is encouraged. When cheating in tax laws is encouraged—and there are certain elements of society, certain economists, who now suggest that some 10 per cent of our economy is the so-called black economy that runs outside the normal tax jurisdictions—then we encourage the erosion of faith in our system.

I use this retail sales tax law as an example of the Treasurer having contributed to a further erosion of the system: one tiny clod being eroded off the island in the John Donne sense of the word. That is what he has done. Even today, we still do not know the regulations and I suspect the government does not know the regulations. Its response is, “We will be friendly with these people; we will work with them.” But when government passes silly or unenforceable laws it invites cynicism, cheating and derision; and that is what it has done.

I say to the Treasurer and this House, if we

look ahead to some of the possibilities, we have to include the input before the fact, and use that process to develop a consensus in society. Then, not only will there be fairer laws but there will be more respect for the institution we are all trying to serve communally. That was the big fight we had and it was not an easy one to fight.

There is a school of contemporary political philosophy which believes that the process is as important as is the product and that our efficacy as politicians depends on our capacity to draw more and more people into the process, to make it part of their lives, not irrelevant to their lives. When we slap on a silly tax which is unenforceable in many ways and then do not even tell people how to collect it, we further erode the process, as I said.

That is what the big fight is about. They are going to hear more from us about that. We use this particular bill as an example of budget-making at its silliest, its most superficial and most wrong-headed. We talk about the regressive nature of it. We fundamentally disapprove of this tax.

I know the Treasurer was anxious to put a good face on his budget. I know for a fact that Treasury officials phoned several people and institutions who they felt would be friendly to the budget, who would not really talk about the Retail Sales Tax Act but about some of the other aspects, and that is what they did. They came and they said it was not a bad budget and that he was going in the right direction. They used that opportunity to criticize Mr. MacEachen, which is fair enough; they are entitled to do that if they want to and to take attention away from the imposition of this Retail Sales Tax Act.

Let us not put it out of proportion. About \$350 million is going to be raised from the public hide, roughly what was paid for Suncor last year. It is not terribly dissimilar to the small business tax holiday over the next year or two, which is a constructive move, but the Treasurer has yet to say how many jobs that will create. He denies the restaurant association's claim that the tax is going to cost them 7,500 jobs. He denies the figures used by various other groups which came before the committee to say how many jobs it would cost them, saying, "You are being alarmist and are overreacting." But when one asks him how many jobs his tax holiday on small business is going to create, he has yet to come up with a figure.

It is no wonder that we have to fight a tax like this. The stated budgetary intention, the thrust, was to create jobs. In fact, apart from some

temporary jobs there is absolutely no definition to what he is doing.

4:40 p.m.

A couple of years ago I brought a private member's bill into this House asking for more discipline in the budgetary process. Every time someone created a tax expenditure, as, for example, with the small business tax holiday, there would have to be a budgetary examination of it: macroeconomic projections of what it is going to do, how many jobs it will create; if they give it to one hand, they have to take it from someone else; how are they going to finance it, so we understand the side effects of every major budgetary thrust.

That bill actually got second reading in this House; the Tories were too embarrassed to vote against it because of the fundamental correctness of the proposition. However, the House leader never called it forward, although in certain mini-budgets subsequent to that noises were made that they were going to launch into tax expenditure studies.

I do not want to belabour this; it has occupied so much of the House's time over the past six weeks. Our position is known, and I think, as I said, that my colleagues have put it forcefully and well.

I could talk about jobs, I could talk about the hardship on the mobile caterers, about driving jobs to Quebec to fix the trucks and all of that kind of thing. It is clear to us that the Treasurer was not particularly interested in listening.

Oh, it sneaked out in little ways. The member for Oxford (Mr. Treleaven) said, "The whole thing has really been a sham." The member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) said, "The hearings are too short, and it does not matter if we take 300 hours or 300 days; except for a few minor items the province is not going to budge."

There is a certain arrogance in that which I do not like. I understand that the Treasurer's political ego is on the line; I think I understand that phenomenon. But bigger men than he have backed down. Darcy McKeough backed down and John White backed down when it was impressed upon them that they were fundamentally wrong. And we believe he is fundamentally wrong.

He went through the charade of the committee after refusing to do it. I gather that the Premier (Mr. Davis) and the House leader said he must do it, and so he went and sat there. And let me tell members, the things he heard would

have been very deeply disturbing to a more sensitive man.

He has moved off on another two or three minor points, and now we can give a list of six or seven points that he has backed off on: Meals on Wheels, charitable summer camps after my colleague from Ottawa East (Mr. Roy) raised the issue, and institutional meals for students in residences. But there are still so many inequities, still so many contradictions and still so many things that are out of sync with other stated public policy aims that I believe this bill is going to continue to haunt this government. It is wrong in almost every respect, and we are going to vote against it.

The Treasurer set up the phoney argument that if he had not broadened the base—which he did as a result of a poll he took, if members will recall, even though the Treasurer denied it—he would have had to raise the tax rate from seven to eight per cent.

Again, a phoney argument. He has lots of options. If he had not given away money, he would not have had to raise money. You always have to look at your expenditure side if you are going to look at your revenue side. There are many tax options he had. He did not have to go to a regressive, flat, consumption sales tax in order to raise that revenue.

It is my belief that he has dramatically underestimated that revenue so as to diminish the perceived impact on a number of sectors. Over the years that is going to raise billions and billions of dollars for the government. He is betting on it, and the Premier, without shame, stands up and says: "Well, we get a little heat today. People will forget about it in two or three years or in six months."

They are used to taking a little flak, because before the next election you will see another no-tax-increase budget. That is the way the government works: The major distortions are around election time; you always see no tax increase, and then you get whacked a year or two after.

There is no integrity of fiscal policy or fiscal philosophy. The only integrity demonstrated is an integrity to get themselves elected. They distort in the billions of dollars and are prepared to use unlimited taxpayers' funds to subvert them to public purposes. That is why people in opposition, those of us who see their shenanigans daily, get a little bit cynical.

I will not go on. I know some other members want to speak. I regret this is the final chapter of this discussion we have had. In some ways I

think we have all learned a lot. I am extremely proud of my party in regard to the way the members were all committed from the time they read that budget to try to do something to change it as best they could. Everybody decided to fight together.

I want to say, Mr. Speaker, we would have sat here all summer, we would have sat here until Christmas or next summer, if we had not had at least that minor concession from the government to hear and have some small public input on this matter. It was, in many ways, a fraction of a loaf; it was not the whole loaf. It was not what we wanted, but in the circumstances, it seemed to us to be the best compromise.

I just wanted to make those two points. The budget is a bad one. We are going to vote against it but, as I said, the more important point is that the process is deficient. I think that somehow we could rise above partisanship and each apply our minds to some of the questions to make sure we do not foist upon an unsuspecting public another flawed bill, as this one has turned out to be. I am sure some of my colleagues will have some things to say.

I wanted to make that contribution on the final day in the House for this session. I believe very strongly that we, in our party, have served the public process well. I am proud of that. As I said, subtle things do not work with that government. One can jab it in the heart with a rapier and it will not feel it. Sometimes one has to club it over the head with a two by four, and that is what we had to do; but we are prepared to do that.

There is another session next fall, and we intend to be back in full strength for that. We intend to exercise, as best we can, the prerogatives of the opposition. The government is just a trifle more honest today than it was when we started this whole process. The bill is a little bit better than it was when we started. I believe we deserve the credit for that. I only wish it had been more.

Mr. Cooke: Mr. Speaker, I want to take a few minutes to comment on what has happened over the last few weeks and use this opportunity to talk about the committee process. Before I begin, even though we, in this party, had very serious reservations—

Mr. Boudria: What does the member mean by "we." There are just two of you.

Mr. Cooke: —even though the two of us in this party had very serious reservations about the time limits put on the committee, I do want

to congratulate the committee chairman. I think, with the large number of groups that came before the committee, he did an excellent job, the best job that could possibly be done, in ordering the various groups and giving them as much time as possible, along with an adequate sharing of time between the three parties for questioning.

Over the last 30 hours or thereabouts, we heard from over 60 groups. There were an additional 24 groups that wanted to speak to the committee, but were unable to because of the time restrictions. But I do think the groups gave us a pretty good idea of how ordinary people in this province feel about the sales tax legislation. The Treasurer (Mr. F. S. Miller), this morning, attempted to say that those in the know, the investors and the consultants who appeared before the committee, had taken a balanced approach to his budget. But I suggest those people are not the ordinary citizens in this province. They do not represent the middle- and low-income people in this province who are going to be hit hard by this bill. They simply are not the working people of this province who are hit so hard by the regressive, unfair taxes of this Conservative government.

The people who represented the vast majority of the Ontario citizens were groups such as the Ontario Federation of Labour, which represents working people, the individual citizens who came before us, some of the fast-food operators, the caterers, those people who are out serving the public daily and know how the people of this province feel in reaction to Bill 115.

4:50 p.m.

I think the committee could have been better served had we sat longer. We would have been better served if the Minister of Revenue (Mr. Ashe) had been able to table the regulations asked for on the first day of the committee. It was rather amazing that when we asked him the first day the committee sat if he would table the regulations the next day, he said he would consider that.

Obviously, he did not know that the regulations were not even in draft form. The Minister of Revenue did not even know in what state his own regulations were. Better than anything, that reflects the utter confusion that has existed as a result of this bill and as a result of this government's policy to nickel and dime the people of this province.

I also believe there are certain aspects of this bill that really do reflect and symbolize the

philosophy of this government, one of those aspects being the tax on meals. There are other items in this bill that upset me even more, such as tax on the personal hygiene and cleaning products; but when it comes right down to the idea of lowering the tax from 10 per cent to seven per cent on meals for the wealthy, and then raising the tax from zero to seven per cent on meals for middle- and low-income families, I think that symbolizes this government's attitude towards middle- and low-income people better than anything else.

It is unfair but it is in line with its philosophy, a philosophy enunciated by the Treasurer the night of the budget and several times since. The philosophy is, "We are a government that helps the winners and to hell with the losers." That is a philosophy I am sure the Minister of Revenue feels comfortable with.

I am sure the main reason the Treasurer sat in the committee was because he is the policy maker when it comes to the budget; but the other reason was to keep an eye on the Minister of Revenue. It is more as a result of the statements of the Minister of Revenue than anyone else that this bill has got him into trouble.

When the opposition asks a question or points out an inequity in his bill his immediate instinct is to say: "You guys are nuts. We are right and we are going to implement it. Those are the words of the bill and we are going to do exactly what we said we were going to do." There was no effort to compromise or to be reasonable. It was simply, "This is the way it is and if you do not like it, you do not understand the realities of March 19, 1981.

The fact of the matter is this bill is unfair. The consequences were never realized by this government, not just the political but the economic consequences.

The restaurant people came before us and said 7,500 jobs are going to be lost; the auto repair people came before us and said several jobs were going to be lost; the dry cleaners came before us and said many jobs will be lost; municipalities and school boards have been hit and will have to lay off workers. All these facts mean that in addition to the lack of any aid in the budget for small businesses that are unincorporated, small businesses that are not making money, those aspects of the budget will result in 30,000 jobs lost because this government's attitude is, "We help the winners and we forget the so-called losers."

I want to refer to a few briefs: one in

particular, a brief presented by a group that was before us last night. It was presented by Mr. Burton of the Ontario Hotel and Motel Association. Mr. Burton symbolizes again the Tory philosophy better than anyone and I am sure he was invited to appear before the committee by the Treasurer or the Minister of Revenue.

One of his comments was along the lines of: "If you can't afford to go out for a meal, you shouldn't go out for a meal. If you can afford to go to McDonald's, then you should damn well pay tax on McDonald's food." He also said: "I'm in touch with the people who work for me but of course I don't go to the restaurants they go to. I go to the ritzy restaurants." He made that very clear as well.

I would really like to believe—and I hope that I am correct—that Mr. Burton in no way represents the vast majority of the people in that industry. He cannot possibly. I cannot believe that all the people who belong to that particular association are that hard, that crass and that they lack understanding of the ordinary people in this province.

My colleague the member for Hamilton West (Mr. Allen) said to me after hearing that presentation last night, "Has this man never heard that sometimes single parents who are on mother's allowance or other forms of government assistance, or people on low incomes, do get tired once in a while and when they come home from work, or after taking care of the children all day, they may just want to go out and get some take-out food and take it home rather than spend a couple of hours cooking a dinner?" Mr. Burton cannot understand that, the Treasurer cannot understand that, and the Minister of Revenue cannot understand that.

It is a sad commentary on this government that it has decided—and I think the budget shows it—that in the 1982 budget we are going to reinforce the class system that exists. The Treasurer is going to help the wealthy and the upper-income families by lowering their tax on high-priced meals; but is going to tax those on middle and low incomes.

The other thing he is trying to do with Bill 115 is he has decided, in order to cover his political—no, I can't say that, but he knows what I mean—to put a provision in Bill 115 where the tax-included price will hide his tax. There were examples given this morning by the member for Renfrew North (Mr. Conway) of what happened at one particular restaurant.

I certainly intend to get the Treasurer's people on to them if a restaurant I go into is including

and hiding that tax, because I think it is important that the people of this province, every time they go and buy a meal, understand that the Treasurer has added a seven per cent inflation factor and that they are going to remember that for three years.

I have just a couple of other points. One of the craziest parts of this bill is one that was brought to our attention by the dry cleaners. I point this out because it shows how silly a bill or a tax will get when they start nickle and diming. To this point the dry cleaners have never collected tax on either the dry cleaning or the minor repairs. Now they are going to have to add tax on the minor repairs they charge for.

It used to be that they paid the tax at the wholesale level for buttons and thread and other kinds of material. Now, however, they will not have to pay tax at the wholesale level for the materials they tax at the retail level. The Treasurer has encouraged the small dry cleaners that are by and large owned by individual people, not by chains, to break the law. He has said to them, "If you can hide your tax, if you can put all your repairs into one section you say are being done for a price, then you will not have to pay tax on any of that stuff at the wholesale level."

One dry cleaner we talked to said that he paid more at the wholesale level than the Treasurer will ever see at the retail level. There is evidence that would suggest in that particular sector the Treasurer is going to come out behind; he is going to get less revenue out of this. Perhaps, because of the silliness of this tax, what is going to happen is the major job creation aspect of this budget will be the hiring of people in the civil service to check and see whether people are paying the tax, or not collecting the tax.

This is a silly tax, a silly bill, and it should have been withdrawn in its entirety. This morning in committee our party presented no amendments. The reason we presented no amendments is because we do not believe that any single amendment or group of amendments could have improved this silly, regressive and mean-spirited bill. We voted against it on second reading. We opposed every section on a recorded vote in the committee today.

We will oppose it on third reading and we will certainly do our best to remind the people of this province, through our riding reports, through our canvassing and everything else we do in reaching out to the people of Ontario, that the Minister of Revenue, the Treasurer and the

Premier (Mr. Davis) are responsible for this seven per cent inflation.

5 p.m.

I want to make one final comment and it has to do with the process. I agree wholeheartedly with the comments made by the Leader of the Opposition (Mr. Peterson). They are not new ideas. They are ideas we also have placed in the past. We intend to put forward some very concrete ideas when we return this fall, and over the summer, of how the budget process can be reformed. I think the most positive aspect to the hearings was when we had some of the consultants, tax lawyers and so on, come before us. While I did not agree with them philosophically, I found the discussion we had with them on basic economic principles, on budgeting principles, very useful.

I think that kind of a budget committee or finance committee should be a standing committee of this Legislature, so we can look on an ongoing basis at how various policies of this government are functioning, what options are available when the next budget comes down, and what consultation should occur, consultation of a kind that did not occur on this budget, as is evident in the testimony we had from municipalities, from colleges and universities and school boards, that were really hit hard by this budget. They were not even brought in to a prebudget meeting with the provincial Treasurer.

In summing up, I do feel rather disappointed that the Treasurer did not present even a symbolic amendment this morning in committee. I would have thought he could have introduced some kind of a minimum charge for meals, even if it was only the \$4 that some of the groups suggested, some kind of a gesture to the people of this province who came before the committee and to the opposition, who represent well over 50 per cent of the people of this province. It would have shown that the government was listening, that it did realize it had made a mistake, and the committee hearings were not just a process it went through in order to shut this place down now instead of later. The government decided not to do that and I think—I will restate it again—it will live to regret this tax and the way it failed to respond in the committee that examined Bill 115.

Mr. Roy: Mr. Speaker, the process some of us have participated in over the last two weeks has been an interesting one. In my years in the Legislature, I have not had an opportunity to sit in on this type of process, in a situation where

we have the budget and people are coming in, in relation to one of the major planks of the budget, Bill 115, dealing with an increase in the sales tax, or at least an extension of the base, and registering their complaints about how they were affected by various measures in the budget.

I want to say as my colleague, our leader, has said—and I do not intend to repeat what he said—that some of this process obviously should take place before the budget. But as one who has been around here for the last 10 years, I thoroughly enjoyed it. I thought it was absolutely delicious to hear these people come in and take on the Treasurer (Mr. F. S. Miller) and his subalterne, as we say in French, the lackey, the Minister of Revenue (Mr. Ashe), who occasionally would come forward with some very rough and tough comments to try and bring some of these witnesses in line or correct some of the things they had said.

I thought it was a delicious process, especially because there is so much fanfare when the budget is presented. In the process of budget-making or in the process of this assembly, no event draws such a crowd, draws such press, and no event so focuses on one individual as the budget process does. When the minister comes in, especially this minister, who has taken advantage of the opportunity to come in with his plaid jacket, it all focuses on him.

I was interested to see the contrast in the whole process of that evening. The Treasurer gets all the press and all the accolades, then after the budget he goes off to the Albany Club, they have a big cocktail and everybody has a good time. All the Tories are there and they shake his hand and say what a great guy he is and how great he is to them. Then we sit for two weeks getting all these people, even 11-year-old boys, coming over and just letting him have it, all sorts of people coming in and telling the Treasurer and the Minister of Revenue what they think of his budget. I thought it was interesting and I thoroughly enjoyed the process.

I must say that the chairman of the committee, the member for Nipissing (Mr. Harris), did an excellent job in controlling and processing the groups. There was a whole lineup of people who wanted to come in. Had we had time, I suppose, or had we kept the doors open, it could have been a regular 24-hour show with people coming in from all over the province telling the Treasurer and the Minister of Revenue how bad this budget is or how they are affected by it. But

the chairman processed these groups through in the limited time. I thought the co-operation from all members, including the government members, made the process work, and I would like it to continue.

It struck me as I saw the parliamentary assistant to the Treasurer sitting there that there was a terrible conflict of interest throughout the process as well. It will be some time before the Tories on that side understand the purity of the division of powers among the executive, the Parliament and the judiciary.

This was supposed to be a parliamentary committee where the Parliament is supposed to have some form of independence. In that committee, very often the person leading the charge to defend government policy was the member for Oriole (Mr. Williams), the parliamentary assistant to the Minister of Revenue. I think his enthusiasm even got on the minister's nerves once in a while, and only the wisdom and restraint of the chairman was able to control the parliamentary assistant. The parliamentary assistant to the Treasurer was low key; he was not nearly as aggressive.

My colleagues on the other side should understand that when we talk about a parliamentary committee and we talk about some form of independence, they establish a terrible conflict by having two parliamentary assistants there. I mean when you have the two who are involved, the parliamentary assistants to the Minister of Revenue and the Treasurer, to give the impression that if one is on the committee one has some form of independence is pure sham. It is a mockery, and they are really not fooling anyone. They should understand that when we have a parliamentary committee the least they can do is show some form of independence and not put the parliamentary assistants in there.

I could dwell on that much longer, but I have to carry on. The other matter I thought was offensive in the process was that the two ministers came in there on the superficial and phoney pretext that they were prepared to listen. Frankly I, like other people, had some hope that after listening to all of these briefs, listening to some of these submissions, some of which were very sensitive and very logical submissions which I would have thought carried weight—such as the caterers, the universities, the school boards, the municipalities and those in regard to the tax on hygiene, on tampons—I would have thought there could have been changes for some of these people.

5:10 p.m.

But, to my disappointment, this morning the Treasurer confirmed what some of his caucus colleagues have been saying all along, that this has been a hollow process. Whether it took 30 hours or 300 hours, the exercise would show they had no intention of acceding to any of the submissions. He has said about the caterers, "We are sympathetic that you have spoilage," and he said something else, but it is nickel and dime stuff. It is really nickel and dime and it is consistent with his whole budget.

The other point that surprised me is that they would affect municipalities and school boards without any prior consultation. I could not believe that. I suppose if we are to judge this government and this budget and put a proper light on it, the conclusion we can come to is that this is a budget from a government which is prepared to waste taxpayers' money on Suncor and on a jet. To raise the revenues for these expenditures, it is prepared to tax things like tampons and meals under \$6. My colleague could talk about puppies, candies, young people and all the rest.

If one is to judge, a good badge for this government is that in 1982, when the people of Ontario are suffering, those people on that side are still prepared to waste \$10 million for a jet. To do that, they are prepared to tax senior citizens and people at the bottom end of the scale and to lower the tax for their friends who are having the high-priced meals. There is some measure of the consistency of these people.

I would trust that even three years will not be sufficient time to wipe out the hardships the Treasurer has caused with this budget.

Mr. Laughren: Mr. Speaker, I am pleased to take part in this debate. I have not been a member of the committee that heard the submissions. Since I was replaced by our Treasury and our Revenue critics, I did not have the pleasure of hearing all those enlightened, progressive submissions from the industry before the committee.

I was there during the debate when we were trying to get the committee established and trying to get advertising across Ontario so that there would be representative submissions made to that committee in terms of geography in Ontario. I was absolutely astounded when my Liberal colleagues decided advertising should not be done. I still believe that party made a bad decision not to support us in that regard because I believe, if we are setting up committees like that, everybody in Ontario should be equally informed about the opportunity to appear before

such a committee. Despite the bell ringing and the filibuster, guess who did not want advertising to inform all of Ontario the committee was meeting and that they were encouraged to appear before it?

As it turned out, there was time to have heard other groups before the committee. I believe the committee adjourned at noon today. It could have gone on all day today. It could have gone on this evening as well and perhaps even into tomorrow, and still have fallen within the agreement struck by the three House leaders. I find it passing strange that our Liberal colleagues decided enough people knew about the committee and they would prefer not to do any more advertising.

I do not know why some of the members are shaking their heads. That is exactly what happened.

There are many strange things about this sales tax. I will not repeat what the member from Windsor said. He made very fine comments about the bill. I guess the Treasurer (Mr. F. S. Miller) had to decide where he was going to get some money. I understand the predicament of a Treasurer in these times; he looks to see just where he can find money. But there are other ways in which the Treasurer could have raised money. Our caucus put before the Treasurer some suggested areas of sources of money and he chose to ignore them.

I find it very strange that as this session winds down, the focus of debate is on the expansion of sales tax to a wide variety of items, given the serious problems we are trying to cope with in the province. I look at the number of layoffs and shutdowns and at the problems in mining, manufacturing and forestry. We are trying to stem the flood of imports of manufactured goods, but what happens is that this government brings in a tax to divert the attention of a lot of people in the province to the expansion of sales taxes and it fails, in every single case, to deal with the major problems facing Ontario.

This afternoon when I read the headline in the Sudbury Star which says, "UIC Sudbury's top employer: Area Office will pay \$4.7 million a week in UIC benefits," members of the cabinet on the other side had not a single response to make about how they felt or what they could do about it. Despite promises in the throne speech, their response when problems arise is to increase sales taxes. That is leadership of a kind I find words difficult to describe. To think that is providing fiscal leadership in Ontario

when we are facing these problems is an insult to the intelligence of people of Ontario.

This government is riding on the luxury of 40 years of rule, but that is going to be this government's undoing. They simply cannot govern in Ontario today as though it was the 1960s and that is what they are trying to do. This government is responding in its grants to the private sector and in its taxation of the public sector to make sure organized labour and unorganized labour in this province is put in its place and to make sure that low- and middle-income people are put in their place once and for all in this province. This is not simply endemic to Ontario; it is a North American move. This government knows precisely what it is doing and the Treasurer is the ideal vehicle by which to take this message of Friedman economics to the people of Ontario.

We in this party have always tried to make sure we avoided an elitist-type society in this province, but this government is making that extremely difficult. It is no accident or coincidence that after they get a majority, they take actions they did not have the courage to take under a minority government. There is absolutely no question about that. This Treasurer was Treasurer under a minority government and he is the Treasurer now in a majority government and his behaviour is completely different. Suddenly he has the courage of numbers to take whatever draconian tax measures he decides are appropriate.

I know the argument that the Treasurer makes and that the Minister of Revenue (Mr. Ashe) makes, that it is necessary to reward the winners so that they will create jobs, and those people who work will then pay taxes and the government will have the revenues to deliver necessary services. It is the old trickle-down theory. I am very happy to see the Minister of Revenue nodding his head sagely as though that is something profound. That is exactly the theory they had in the 1930s. The government is repeating the very same mistakes that were made 50 years ago.

We understand very well the need for revenues if we are going to provide services. We know we cannot just snap our fingers, revenues appear and we provide services. We understand that. What we do not understand is how this government, in power for almost 40 years, could end up being in such difficulty, how it provided the kind of stewardship that has put us in such an impossible situation with regard to employment in Ontario, when it has spent so much

money and has invested so little. The government has not invested in Ontario. It has taken the money that has come in through revenues and parcelled it out in order to provide ongoing services. It has not provided an investment for the people of Ontario and the future generations of Ontario.

5:20 p.m.

If the Treasurer needs any further evidence of that I ask him, if there is still such a thing, what province has been the manufacturing heartland of this country? It has been Ontario. What has this government done? It has allowed the manufacturing sector to deteriorate to the point where now, that is where the most serious problems exist. We had it all.

If he were to go to any eight million people in the world and say, "Here is a piece of real estate for you to live on and provide for future generations," I would ask the Treasurer, what he would give them that Ontario does not have? I want to tell members that Ontario has had so much and done so little with it that it is an absolute disgrace.

We do not have oil and gas, that is true, but we have virtually all the other natural resources plus the capacity to manufacture, plus proximity to major markets and an educated work force, and what has the government done with it? It has sat back and frittered away opportunities that are going to be judged in the future very harshly. I would venture to guess that in the next generation and in the next century, when historians write about Ontario they are going to write some pretty devastating things about the Tory administration in the 1960s, 1970s and 1980s; perhaps even farther back. They have allowed it to deteriorate. They have allowed this very fine machine to run down. They have not done their job.

The other point I wanted to make is that I disagree with some people who claim that by broadening the sales taxes to a wide variety of items the Treasurer and the Minister of Revenue have blundered. I believe they know exactly what they are doing. I do not mind putting this on the record and repeating it again in perhaps a year or two, because I understand the way the Treasurer thinks. He is going to broaden the base now so that when he bumps it up one or two per cent, he is doing it from a broader base. One does not have to be terribly clever politically to see that.

The Treasurer could have bumped it up to eight or nine per cent this year but he would be doing it on a narrow base. Why not expand the

base now, three years before an election, and then next year or the year after, bump up the entire sales tax package and then the revenues come in in a much more satisfying way to the black heart of the Treasurer? That is the way the Treasurer thinks.

He is not the kind of Treasurer who is able to stand up and say: "These are my intentions. We are going to broaden the base; in the future the sales taxes will be increased." He does not have the courage to tell us about the hidden agenda. I think I understand the way the Treasurer works in these matters. I do not think he would even tell the Minister of Revenue; that minister might blunder and let it slip during one of his responses during question period. That would not do. Oh no, this has to be a hidden agenda. The Treasurer is a master at that.

I conclude by saying that we in this party reject the kind of regressive tax measures that have been taken. We understand the game that the Treasurer is playing. I suggest to members that he may get away with it now—he has his majority—but the chickens will come home to roost and we will be there to pick up the eggs.

Mr. Breithaupt: Mr. Speaker, I too should commend the member for Nipissing (Mr. Harris) in his handling of the variety of delegations which appeared before the committee which dealt with Bill 115.

I have to say I was somewhat disappointed with the comments by the member for Nickel Belt (Mr. Laughren) because, as I understand it, his House leader had agreed that the committee would deal with some 30 hours of hearings and that the bill would be reported today.

There were already some 50 delegations to be heard, as I recall, before that arrangement was even entered into. Now the member for Nickel Belt suggests that a few more hours would have made the difference.

I ask him to what end would those few more hours have been? We have heard from the member for Oxford (Mr. Treleaven) and the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), from reports that have been given to us, that there were not going to be any changes anyway. Perhaps they were only pretending otherwise to see the variety of delegations. They would have let even more people down if we were dealing with a situation that was not going to be amended.

It has been some time since I have spoken on a bill dealing with the revenues of this province. In the earlier years of my tenure here, from 1967 to 1973 as the finance critic for the opposition, I

dealt with a variety of Treasurers, Charles MacNaughton, John White and Darcy McKeough, and I recall on occasion that changes were made when things that were particularly unfair were pointed out.

I suggest that the approach we have taken to this bill has set out some of the concerns which we still have, even though the bill was approved in principle by this House. At the committee stage, a variety of persons spoke to these themes, albeit they were consistently rejected by the government majority on the committee. Time after time they voted unanimously to support the position of the Treasurer.

The finance critic for our party, the member for Rainy River (Mr. T. P. Reid), suggested in his opening statement to the committee that there were five themes we were going to refer to. That was expanded to six. I am going to briefly mention what they were, so members will know the particular things we think the Treasurer should still be mindful to change.

We believe the exemption of sales tax on prepared meals costing less than \$6 should continue.

We believe the exemption of sales tax on hygienic products, such as sanitary napkins, toilet paper, soap and those other items, should continue.

We believe the exemption of sales tax on energy conservation and alternative energy products, so well advertised on behalf of this government by other ministries in every media we can think of, also should continue.

We believe the exemption of sales tax on items purchased by municipalities, boards and agencies for public purposes should continue, or at least that there should be a proper and appropriate opportunity to phase in those changes, recognizing that the budgets have been set and a variety of those organizations are not allowed by law to have deficits or, indeed, are in difficult positions, particularly on the university scene, and that this would put additional pressures on them.

We believe the exemption of sales tax on labour for repairs and for the maintenance of personal property is something that should continue. That particularly has been brought to the attention of the government by the petitions that have come especially from the variety of dry cleaning establishments across the province. These petitions have been tabled in the House. Many members have received them and have sent them directly across to the Treasurer.

Finally, we believe the exemption on publica-

tions and magazines, not only for reasons of encouraging Canadian publications in difficult times but also because of the general educational value that these have traditionally served in our community, should continue.

Those are the particular six points we have raised. I believe it is not too late to encourage that changes should be considered. They may occur right now. I recognize that the government majority is probably going to stand by the Treasurer, but I do believe these exemptions have value to the people of the province, and that they deal with particular things that can be attended to without upsetting the budgetary process and the needs of the province.

I commend those exemptions to the Minister of Revenue (Mr. Ashe), who does not set the policy but who does run the cash register of the province, as it were. I commend them particularly to the Treasurer with the hope that he will reconsider those themes because I believe, in doing so, he will have a better budget and he will serve the people of this province in a much better fashion than his program now does.

5:30 p.m.

Mr. Breaugh: Mr. Speaker, I want to say a few words on this final chance to oppose this bill. In our caucus anyway, we have on many occasions exercised the opportunity to oppose this bill on first, second and third reading, as well as on each clause as we went through clause-by-clause this morning.

Our opposition to the bill is wholehearted. There is nothing in here to be saved. There is nothing in here that is of any merit. This is a mean-spirited piece of business the Treasurer is bringing forward.

Although some were a little critical that I did not have a lot of optimism that the series of public hearings would be terribly successful, I do not think there should be any question left in anybody's mind on the process itself.

We did not have any staff on that committee. There was no attempt made, nor was there any time, to do any real analysis of the legality of the process itself, even though the question has been raised several times. There has not been a proper answer given as yet—only the government's side of the story. There has been no real attempt made to identify carefully the impact in terms of the unemployment that will be caused by this bill. We are left using the often imperfect estimates made by those who are directly affected by it.

Therefore, I recommend to the members here that they take another look at the standing

committee on procedural affairs report on committees where a model was provided in some detail. I must point out as well that, in our federal House, all parties now agree some reform of the budgetary process and the parliamentary process is absolutely essential.

Those of us who have had a chance to see other jurisdictions and how they go about it really do see that there is a marked difference in many other jurisdictions in North America, and particularly in the American jurisdictions, where there is a wealth of information presented to the public and to the members of the legislatures. There is a common set of statistics and a common analysis done. The budgetary process is far more sophisticated than the rather ancient and, unfortunately, rather simplistic process used here in Ontario.

The hearings did give an unusual opportunity or two for the Treasurer (Mr. F. S. Miller). For example, there were two or three occasions when an individual citizen came before the committee and put to the Treasurer what an ordinary person sees in a bill like this. They stated how cruel it is to them and how it has a negative impact on the few little joys they have left in life.

They stated how people at the lower end of the income scale have a totally different perspective on something like this than somebody who is a Bay Street lawyer, someone who is a member of the corporate world or someone who has an income level which means he can say: "An extra seven or eight cents on something I buy is something I will not even see. I will not even count those pennies." Yet, unfortunately, at the other end of the economic scale there are people who have to count those pennies. This sales tax will have an impact on them in a way that few of us, as members of the Legislature with a reasonably steady job, can really understand.

What I thought was interesting as well in clause-by-clause this morning was that the Treasurer waxed a little eloquent on his ideas about what is and what is not a fair tax. He said in clause-by-clause debate this morning that he understood this was a regressive kind of taxation but he did not care; he had no concerns about that.

He said much the same thing when a gentleman by the name of Mr. J. McMillan came before the committee. The Treasurer chose not to answer him, but with a little prodding he did respond to that ordinary citizen. In essence, he said: "So what? Things are tough. This is a sales

tax. It may be not the best kind of tax, but you have to pay it."

I was looking for two or three things which I thought might have happened during the course of the committee. I was a little disappointed when, on the first day, we particularly asked the Minister of Revenue to table the draft regulations. His first response was, and I think the quote is accurate: "No problem. Just let me take a look at that." Yet the next day, when he came back in and we pursued the matter a bit more, all of a sudden there was a problem. He was not prepared to table that. They were not ready. They had not been drafted yet. They would be put together over the next several months. A legislative committee asked him for a simple piece of background information and was told, "That's none of your business."

The Treasurer of Ontario again was prepared to put his views forward this morning and he repeated the cliché that his faith and his hope is in the private sector; that somehow the private sector, and a little more specifically the winners in the private sector, is suddenly going to cure the diseases that face this country and this province. That is a pretty cold and hard approach to it all, particularly by a government that from time to time purports to have some kind of a social conscience.

It got so bad in there this morning that one listening to the comments of the members would have sworn that Darcy McKeough was some bleeding-heart Liberal, that McKeough had a great social conscience in comparison to the present Treasurer. The only difference I could see was that McKeough was a man you could respect, because at least he was straightforward and when he made a mistake he had the guts to admit that it was wrong and he should not proceed with it. That is the only distinction.

I am afraid that what we were treated to this morning was a lesson in the crass politics of Ontario. Just before an election, this Treasurer was happy to run around saying: "I am going to start dropping the sales tax on big-ticket items like cars, because I want to do something good to stimulate the economy." But after they had their majority for a year or so, one saw that the Tories had come back full cycle and then the name of the game was, "Sock it to 'em." Of course, I think we are all reasonably accurate in predicting that just before the next provincial election, they will suddenly develop a social conscience once again and that some things will be done to ease the pain.

We could go through all the ramifications of

this bill and have a lot of discussion, as we did during the committee stage, about the stupidity and unfairness that is there, the impracticality of it all, but I am sure that some time during the course of this summer the Treasurer and the Minister of Revenue will huddle somewhere and devise ways to get out of some of these holes.

There is nobody in the world who can convince me that the Minister of Revenue is going to follow the coffee trucks around and try to grab that tax. He cannot do that. He knows that. He is going to have to weasel out of that, and there is no question about it; it is only now a matter of how that will occur. He knows, as well, that the Treasurer has made a major gaffe by taxing feminine hygiene products. He knows too that this somehow will get resolved quietly in the back rooms somewhere and then, of course, an announcement will be made.

If we go through a quick rundown of what this does, it tells us very clearly the priorities of this government, who are its friends and who it deems to be its victims. We went through it this morning, and I was a little surprised to see the Liberals proposing an amendment in this regard. E. P. Taylor and his racehorses are exempt from this tax, but a kid who buys a guppy in a store is the victim of the tax. If you go to La Scala, you are saving a little money these days. If you go to Pizza Pizza, they are going to get you.

The Treasurer went on at some length this morning to describe his definition of winners and losers; that is a phrase that has been recurring through all of this debate, and it is probably true. Those small businesses that survive will get some help from the Treasurer. The trick, of course, is survival. Those that go out of business, those that are driven out by a decrease in sales—and there was a whole list of them that appeared before the committee—and those people who lose their jobs, they make up the group that the Treasurer of Ontario says are losers; and he has no time for them.

Anybody who survives the process will get a tax holiday; that is his definition and, in the complicated world in which he lives, that is how he sees things. There are friends out there to be listened to, to be catered to, to provide assistance to, and the rest of the world are victims and people to be taxed. Those are the people that the Treasurer is going after consistently and regularly.

The attitude of the Treasurer and the Minister of Revenue is right-wing to the extreme. I sense that if there had been free votes in the

committee, there would have been some changes made. I sense that if any legislative committee, consisting of however many members of this Legislature might sit on it, took a look at a bill like this honestly and sincerely and its members voted with their own minds and their own consciences, we would never get this kind of legislation. We would never see a bill of this nature appear before this House, because it is clearly wrong. It clearly taxes the wrong people.

5:40 p.m.

In fact, there is an argument to be made, and I would be prepared to make it, that if they were really concerned about getting revenue they have even screwed up in that regard. If they had moved to lower the retail sales tax or eliminate it and stimulate small business, they would have got considerably more revenue.

The only problem with that from their point of view is that more people would have been working, and it appears clear to me that this government had set its course. It does not give a damn about the unemployed. It does not care about low-income people. It sees them as victims to tax and nothing more. It has made its alliances clear. We will see the shifting of the sands of politics in Ontario just before the next election and not sooner.

This is a regressive tax and, sad though it may seem, the Treasurer admits it is a regressive tax. It is a mean and cruel blow to a lot of people in this province who right now deserve some help from this government, and instead of getting help they are getting taxed; and that is wrong.

Hon. Mr. Ashe: Mr. Speaker, there has been much said, both this afternoon and over the past number of days in the committee, about the process that took place in the committee three days this week and three days last week and about the people and representations that came before the committee.

I will add only that many responsible individuals and groups came before the committee on both sides of the issue, quite rightly and quite fairly. I think that is one of the things that made the process reasonably fair, or as fair as it can be in that kind of a situation. Let us not kid ourselves. Those opposed to something are more likely to want to be heard than those who support it, but I think it was very beneficial that all members of the committee, regardless of which side of the House they may sit, were able to hear some of the issues in a broader context.

I think that is really the important issue before us today: not looking at Bill 115 in

isolation, although that is the bill we are dealing with specifically and the bill we are going to be voting on in a very few minutes, but looking at it, as many of the representations did, in the context of our economic times, in the context of the narrow area that was available to the Treasurer in bringing down his budget; that is, in the overall situation of the budget itself, which I think was a very responsible and reasonable document.

Much has been made, again on both sides, of the budget document itself vis-à-vis the job creation implications. I think time will show that many of those initiatives were beneficial and will help our economy. On the other side of the coin, we had several representations which suggested there would be a great amount of job loss coming out of the implementation of Bill 115.

Nobody can challenge either set of statistics at this time with any authority. I agree that only time will tell who is correct. However, I suggest to the members that many of the horror stories of lost jobs and lost job opportunities that were predicted were perhaps taken somewhat out of context and taken in the extreme. I think history will prove that not all of them will happen. I am sure there will be the odd lost job that can be very specifically referred to in the future, but I think the Treasurer had to make those kinds of decisions very consciously.

We all know, and I think it has been alluded to this afternoon and in the committee, that contrary to the view held by one or two representations, and I can think of one in particular, there was recognition of the fact that money does not come out of the air or out of the sky: in one way or another it comes from the taxpayers' pockets; and, in turn, it is those same dollars which deliver the services that are demanded by the taxpayers, all 8.56 million people within this province who want services from this government. The money has to be there to deliver those services, including the job creation initiatives contained within the last budget. The Retail Sales Tax Act amendments will provide one relatively small part of the total in expanding the tax base.

Putting the whole issue in context, I think it only fair, once again, to point out that if the Treasurer had not had a significant reduction in the anticipated transfer payments from another level of government, we might not have had to pass on a relatively small part of that impact, again to the municipalities and school boards. It is relatively small compared to the nearly

\$300-million shortfall coming forth in the transfer payments from the federal government to the province.

I also wish to put some of the numbers into their context of actual impact. I appreciate, understand and accept that there is no actual median situation as to what the total impact of Bill 115 will be. That will differ from this person to that person and this family to that family; there is no doubt about that at all. But if one listens to some of the members opposite, if one listens to some of the numbers brought out in the presentations made to the committee, it would seem the Treasurer is not going to get some \$330 million out of this, but he is going to get at least \$1 billion. I know he would be very pleased with that extra revenue, but I suggest it will not come forward.

In fact, what are we talking about in terms of the the total implication of the changes in the Retail Sales Tax Act in this fiscal year? If we look at the estimated revenue growth that is going to come forward, divided by the number of people in Ontario, the actual impact is something less than \$40 per capita. I acknowledge, as I did a few moments ago, that will not be \$40 per person as such, but on average.

I suggest there was no other form of change in the tax revenue necessities within this budget that could have had relatively less of an impact upon the average family in Ontario and yet provide the dollars needed to help stimulate the economy, help create the jobs and help create an atmosphere and a climate conducive to investment and expansion in this province and to offset to some degree the very negative atmosphere that has been created by other governments in the past number of years.

Mr. Speaker, with that, I would like to close the debate on Bill 115, so we can get on with the business of voting on it. I think what came out of the process itself was helpful. It was helpful if for no other reason than that it accelerated what happens after every budget, that is to say, before the regulations are actually written to implement it. There is some criticism of that, but I can go back to every budget in recent history and each had changes of this nature. The actual writing and filing of the regulations take, quite properly, some significant period of time to make sure that the spirit and the intent and the recognition of the administrative problems out there are understood before they become indoctrinated and embodied in the formal regulation itself.

Nothing changed this time. We did accelerate

some of the concerns through the opportunities of the committee, and that is fine. As was indicated this morning by my colleague the Treasurer, we will be looking further at some of those concerns in an administrative sense, and we will continue to accommodate them wherever it is reasonable, wherever it is responsible and wherever it carries forward the spirit of this budget.

Bill 115 is a responsible document that deserves the support of all sides of this House.

The Acting Speaker (Mr. Cousens): Mr. Ashe has moved third reading of Bill 115, An Act to amend the Retail Sales Tax Act.

Mr. Foulds: Unless you want to refer it out to the committee again on this one.

The Acting Speaker: No, I accept the assistance of the House.

6 p.m.

The House divided on Hon. Mr. Ashe's motion for third reading of Bill 115, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell:

Norton, Piché, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Yakabuski.

Nays

Allen, Boudria, Breagh, Breithaupt, Bryden, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Kerrio, Laughren, MacDonald, McClellan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Roy, Ruprecht, Ruston, Samis, Sargent, Spensieri, Swart, Sweeney, Van Horne, Worton, Wrye.

Ayes 62; nays 40.

6:10 p.m.

ROYAL ASSENT

The Honourable the Lieutenant Governor of

Ontario entered the chamber of the Legislative Assembly and took his seat upon the throne.

Hon. Mr. Aird: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Assistant Clerk: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 5, An Act to amend the Corporations Information Act.

Bill 12, An Act to amend the Municipal Act.

Bill 13, An Act to amend the County of Oxford Act.

Bill 15, An Act to amend certain Acts respecting Regional Municipalities.

Bill 21, An Act to revise the Toronto Stock Exchange Act.

Bill 26, An Act to amend the Highway Traffic Act.

Bill 29, An Act to amend the Municipality of Metropolitan Toronto Act.

Bill 30, An Act to amend the Development Corporations Act.

Bill 38, An Act to establish the Ministry of Industry and Trade.

Bill 46, An Act to amend the Education Act.

Bill 62, An Act to amend the Municipal Boundary Negotiations Act.

Bill 92, An Act to amend the District of Parry Sound Local Government Act.

Bill 105, An Act respecting the Mortgage Financing of Rideau Centre in the City of Ottawa.

Bill 115, An Act to amend the Retail Sales Tax.

Bill 119, An Act to amend the Municipal Elections Act.

Bill 120, An Act to amend the Certification of Titles Act.

Bill 124, An Act to establish Technology Centres.

Bill 140, An Act to amend Certain Acts in respect of Assessment Appeal Procedures.

Bill 142, An Act to protect the Health of Pupils in Schools.

Bill 143, An Act to amend the Operating Engineers Act.

Bill 168, An Act to amend the Legislative Assembly Act.

Bill Pr19, An Act to revive the Calabogie Asbestos Mining Company Limited.

Bill Pr23, An Act to revive Peer and Smith Limited.

Bill Pr26, An Act respecting Co-operators Insurance Association.

Clerk of the House: In Her Majesty's name,

the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

The House adjourned at 6:15 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

CBC-TV BROADCAST

95. Mr. Renwick: Will the ministry please table the complete statement made by the Assistant Deputy Attorney General, Roderick M. McLeod, on the Canadian Broadcasting Corp.'s public affairs program "the fifth estate," on Tuesday, April 20, 1982, in the matter of the crown versus Derrick Cole? [Tabled April 22, 1982].

See sessional paper 186.

ASSOCIATION FOR THE MENTALLY RETARDED OF PRESCOTT AND RUSSELL

143. Mr. Boudria: Would the Minister of Community and Social Services produce and table all documentation in the possession of his ministry concerning the funding by the ministry of the Association for the Mentally Retarded of Prescott and Russell towards the acquisition by the association of the premises located at 1588 Aberdeen Street, in Hawkesbury? [Tabled May 12, 1982].

Hon. Mr. Drea: The question was asked of the minister in the estimates debate before the standing committee on social development. The answer was tabled with the chairman.

SPECIAL EDUCATION

144. Mr. Grande: Will the Minister of Education table for each school board in Ontario the estimated amount of grant for special education purposes in 1982, under the new funding arrangement, and the amount of funds that would have been generated by the previously existing funding arrangements? Will the minister indicate the formulae used to derive these answers? [Tabled May 12, 1982].

145. Mr. Grande: Will the Minister of Education table for each school board in Ontario for 1980, 1981 and 1982, using interim and estimate figures where necessary: (1) the average daily enrolment; (2) per pupil grant ceiling; (3) per pupil expenditures; (4) total expenditure; (5)

total local taxation; (6) total provincial assistance; (7) rate of grant on recognized ordinary expenditures; (8) provincial contribution as a percentage of the total local school board expenditures; (9) rate of grant for French-language instruction; (10) decline or increase in number of students from previous year; (11) decline or increase in number of full-time equivalent teachers from previous year; (12) number of self-contained special education classes; (13) number of full-time equivalent teachers of special education classes; (14) number of heritage language classes; (15) number of students studying heritage languages; (16) number of pupils whose first language is neither English nor French; (17) number of self-contained classes for pupils whose first language is neither English nor French; and (18) number of full-time equivalent teachers of classes for pupils whose first language is neither English nor French? Will the minister also provide totals for each of the above 18 points on a province-wide basis? [Tabled May 12, 1982].

See sessional paper 187.

TRIP TO EDMONTON

157. Mr. Wrye: Would the ministry advise the House what was the total cost of the Premier's trip to Edmonton on May 10, 1982? Who travelled with the Premier, and what were their expenses? [Tabled May 18, 1982].

Hon. Mr. Davis: Cost of the visit to Calgary/-Edmonton May 7 to 10, 1982: \$1,615.58.

Individual costs, Premier and staff (accommodation, food, hospitality): Premier (Hon. W. G. Davis), \$540.17; L. Hilborn, \$846.06; D. Massicotte, \$121.35; J. Tory, \$108; total, \$1,615.58.

Air transportation was provided through the Ministry of Natural Resources.

CABINET TRAVEL EXPENSES

172. Mr. Breaugh: Will the ministry provide a breakdown, for each month since January 1980,

of expenses incurred by members of the cabinet for travel? For each month list the number of trips taken by each minister, the destination and duration of each trip and the expenses charged for each minister and the staff accompanying or preparing the minister for the trip. [Tabled May 19, 1982].

228. Mr. Di Santo: Will the ministry table the individual expense accounts of each minister, relative to expenses incurred in the years 1980 and 1981 in their ministerial capacity? Will the ministry table a breakdown of the above based on accommodation, food, travel, entertainment, etc.? [Tabled June 23, 1982].

Hon. Mr. McCague: Records of travel expenses are maintained by ministers on an individual basis and are shown in this manner in the annual Public Accounts of Ontario. Accordingly, and in view of the inordinate effort and expense which would be entailed in duplicating this material, it is suggested that reference to volume 3 of Public Accounts will provide the essence of the requested information.

DISTRIBUTION OF BUDGET HIGHLIGHTS

177. Mr. Wrye: What was the total cost of production for the publication Highlights, 1982 Ontario Budget? How many were produced in total? How many were produced in English, and how many were produced in French? What is the cost per booklet? [Tabled May 20, 1982].

Hon. F. S. Miller: Total cost of production of Highlights, 1982 Ontario Budget, was \$19,255.

Number produced in English: 51,170. Number produced in French: 2,730. Total: 53,900.

Cost per booklet: 35.74 cents.

HIGHWAY 401 SERVICE CENTRES

195. Mr. Mancini: Would the Minister of Transportation and Communications provide the following information:

1. Would the minister table the agreements between the Ontario government and the service centres on Highway 401?

2. Would the minister table figures which would show the amount of revenue received by the Ontario government directly from the service centres?

3. Would the minister provide figures which would show the financial profit or loss of these service centres?

4. For how long a period of time are the contracts between these service centres and the ministry?

5. What specific control over the operations of the service centres does the ministry or government have?

6. Why does the ministry allow the service centres to sell gasoline anywhere from 14 cents to 20 cents a gallon higher than at other service stations found across Ontario?

7. Under what conditions would the ministry not renew a contract with any of the service centres?

8. Has the ministry ever refused to renew a contract with any of the service centres?

9. Does the ministry expect certain standards to be met as far as quality of food being served, general cleanliness, etc.?

10. Is it the view of the ministry that these standards are being met?

11. Does the ministry feel that the prices charged at these service centres for meals, etc., are fair?

12. Does the minister agree with me that the service centres are given a monopoly? [Tabled May 28, 1982].

Hon. Mr. Snow: 1. In view of the generally accepted privilege in written communication and in view of the inherent element of confidence in exchanges between the principals in a major transaction, it is deemed inappropriate to table the agreements related to this matter at this time.

2. Approximately \$49 million in revenues will have been received from service centres for the period 1954 to June 1982.

3. The lease agreement does not require the lessee to submit a profit and loss statement. The lease agreements do require the lessee(s) to allow government auditors access to company records in order to determine the authenticity of declared gross revenues only.

4. Lease agreements are for periods of approximately 25 years:

No. of centres	Lease Expirations
8	1988
6	1990
3	1991
3	1992
2	1994
1	2000

Total: 23

5. Minimum operational and maintenance standards are specifically identified in the lease agreements. To ensure compliance with the standards contained in the lease agreements,

unannounced on-site inspections are conducted at each centre. Failure to correct deficiencies observed during inspections could result in the implementation of a number of remedies available to the ministry.

6. Prices for gasoline vary considerably even between stations within the same municipality. The prices charged at service centres do not generally compare favourably with unbranded or self-service stations or with those in specific gasoline alley locations. However, their prices are comparable to many other off-highway locations. In addition, one must keep in mind that these centres are required to provide full service in both the gas station and the restaurant on a 24-hour basis, 365 days a year, whereas the off-highway location operates only when there is sufficient traffic to generate a profit. Also, the maintenance of washrooms in the service centres is a very high cost proposition.

7. The ministry would not renew a contract with any of the service centres if the lessee operator or his sublessees demonstrated a consistent inability and/or unwillingness to abide by the terms of the lease agreement.

8. The only lease not renewed was because the service facilities were inadequate and interfered with changes planned for the Highway 400-King Side Road interchange.

9. Yes, the ministry does expect certain standards to be met as far as quality of food being served and general cleanliness are concerned. This is monitored on a regular basis.

10. Yes, generally speaking, it is the view of the ministry that these standards are being met. While one might have reason to be critical of some aspect at some point in time, one must remember the substantial fluctuations in volume which the centres experience without any warning and the impact this can have on service and appearance.

11. Surveys reveal that the prices for food and beverages at service centres are comparable to prices charged at off-highway food service operations offering similar levels of service (i.e., 24 hours, 365 days per year).

12. These centres were established to ensure that the travelling public would enjoy an adequate level of service at all hours throughout the year. Very few convenient alternatives are available to the public during the night and on holidays.

TRIP TO JAPAN

203. Mr. Mancini: Would the ministry please provide the following information concerning

the trip to Japan taken by the Treasurer (Mr. F. S. Miller):

1. In what capacity has Mr. Miller undertaken this trip?

2. When was the trip originally conceived?

3. When were the final preparations for the trip completed?

4. Would the ministry provide a copy of the agenda followed by the Mr. Miller?

5. What was the purpose of the trip?

6. Would the ministry provide the names and positions of the people accompanying the Mr. Miller?

7. What is the total cost of the trip?

8. Why did the Treasurer not report to the House as to the positive or negative outcome of his trip when he returned on May 31?

9. Does the Treasurer intend to report to the House as to the success of this trip?

10. Why did the Treasurer feel the undertaking of this trip so urgent that he took the unprecedented step of leaving the province immediately after introducing his budget, therefore leaving the opposition and the media without the opportunity to question the authority of the budget?

11. Why did the Treasurer undertake this trip and not the Minister of Industry and Trade? [Tabled June 2, 1982].

Hon. F. S. Miller: 1. In his capacity as Treasurer of Ontario and Minister of economics.

2. Mid-1979.

3. April 1982.

4. The Treasurer met with representatives of government, financial institutions and industry.

5. To carry out meetings with the above.

6. The Ontario government party comprised: the Treasurer and Mrs. Miller; G. McIntyre, ADM, Office of the Treasury; D. S. McColl, director, finance management branch; L. R. Munro, executive assistant to the Treasurer.

7. Total costs have not yet been submitted.

8. Routinely, the Treasurer meets with Canadian and foreign groups representative of the financial and business communities.

9. No.

10. The Treasurer was available to the media and the opposition for a week after the presentation of the budget on May 13 and returned to Toronto May 31.

11. As indicated in the answer to question 1, Mr. Miller undertook the trip as Treasurer and Minister of Economics.

PORT ARTHUR CROWN MANAGEMENT UNIT

206. Mr. Laughren: Will the Minister of Natural Resources advise the House:

1. Given the concern that exists among local forest users operating within the Port Arthur crown management unit as to the manner in which his ministry's policies will affect them, how does he propose to address this concern now and in the future?

2. In particular, how do the Thunder Bay and Nipigon district land use planning processes address the concerns of local users of the forest resource? Why are local users being denied access to forest resources in favour of large companies? Will the minister consider establishing a principle of right of first refusal for local users on crown management units?

3. If, as a result of the forest resources inventory (FRI), the forest base is found to be insufficient to support current use, how, and to whom, will resources be allocated?

4. If the FRI indicates resources in excess of current demand, what will be the priority of allocation, for example, between local and nonlocal, current and potential users?

5. What will be the format of future public involvement and debate on the ministry's resource allocation and resource policy decisions regarding the Port Arthur crown management unit?

6. What will be the nature of the appeal process for the ministry's allocation and policy decisions affecting citizens and/or resources within the Port Arthur crown management unit?

7. How are the ministry's policies going to protect local users, citizens and their communities within the Port Arthur crown management unit from economic decline and vagaries of the "boom-and-bust" cycle so prevalent across northern Ontario?

8. What is the history of resource allocation in the Port Arthur crown management unit? Why was it established? Who were its original users? When and why was priority given to large woodlands operators over smaller year-round, seasonal or part-time cutters in the area? What public input was solicited before the ministry's policy of attrition was established?

9. Why are large companies given long-term contracts, whereas local users are given only short-term (yearly) permits, thus denying them the ability to plan for long-term operation and investment?

10. Given recent findings, for example in the 1982 Anderson/Bonsor report, that small, local

operators are not only more efficient but less ecologically damaging than large companies, why is it that the latter have exclusive access to large tracts of land and timber, while small operators do not?

11. Why are FMAs being signed with large companies when demand by local independents has not been similarly identified and planned for? [Tabled June 3, 1982]

Hon. Mr. Pope: In the light of the fact that a hearing related to this matter is pending, it would be inappropriate to table the information requested at this time.

WILSON NURSING HOME

219. Mr. Cooke: Will the Minister of Health table the nursing home inspection reports for the Wilson Nursing Home in St. Thomas completed between May 1, 1982, and June 10, 1982? [Tabled June 10, 1982].

Hon. Mr. Grossman: Nursing home inspection reports contain confidential information such as patient identification and individual treatment. To ensure the confidentiality of patients and their families, the Ministry of Health does not make these reports public.

However, the ministry is reviewing the inspection reports for the Wilson Nursing Home and the ministry is attempting to prepare a summary of the important features, which would protect patient confidentiality, in a status report. Should this attempt be successful the status report will be made available as soon as possible.

MICROWAVE TELECOMMUNICATIONS

221. Mr. Elston: Would the Solicitor General table a copy of the legal opinion rendered by the Attorney General's office regarding the status of the Ministry of the Solicitor General as the proponent of a microwave telecommunications project under the Environmental Assessment Act? [Tabled June 14, 1982].

Hon. G. W. Taylor: In view of the generally accepted privilege in written communication and in view of the inherent element of confidence in the formulation of government policy, it is deemed inappropriate to table the legal opinion related to this matter at this time.

However, the ministry would be pleased to entertain questions relating to specific aspects of this matter.

PORT POLICE

223. Mr. Philip: Would the Minister of Municipal Affairs and Housing table all correspon-

dence between his ministry and the municipality of Metropolitan Toronto concerning the rights and interests of the port police as a result of Bill 29? Would he provide assurances that he will not proceed with Bill 29 without assurances that the port police will not receive less in pension benefits under the amalgamation than they now are entitled to and that their present jobs will be safeguarded? [Tabled June 15, 1982].

Hon. Mr. Bennett: In view of the generally accepted privilege in written communication and in view of the inherent element of confidence in exchanges between different levels of government, it is deemed inappropriate to table correspondence related to this matter at this time.

However, the ministry would be pleased to entertain questions relating to specific aspects of this matter.

INTERIM ANSWER

226. Mr. Renwick: Will the ministry table as soon as possible a comprehensive list of all issues known to the government outstanding between the native peoples in Ontario and the government? [Tabled June 22, 1982].

Hon. Mr. Henderson: A comprehensive list of native affairs issues outstanding between the native people in Ontario and the government will be provided on or about October 15, 1982.

USE OF TORDON

227. Mr. Elston: Would the Minister of the Environment provide the following information on the use of Tordon (picloram) in Ontario: (1) what companies, ministries of the crown and crown corporations have received permits to apply Tordon in the province; (2) specify the permit number, the total quantity to be applied, in what form it will be applied and the location(s) of the applications; (3) specify whether the public in the area to be affected has been or will be notified, and in what fashion; (4) table any reports or studies conducted by the ministry used to verify that Tordon is safe to use; and (5) outline whether any new guidelines are available for the use of Tordon, and if not, outline what the present guidelines permit and require from those holding permits for the application of Tordon? [Tabled June 23, 1982].

See sessional paper 193.

BUDGET PAPER

229. Mr. Breaugh: Will the Treasurer table the document entitled Ontario Budget Paper

SX, a Proposal to Tax the Sex Act? [Tabled June 24, 1982].

Hon. F. S. Miller: No such budget paper exists.

NEWSPAPER LAYOFFS

233. Mr. Mackenzie: Was the ministry contacted by the Globe and Mail regarding the newspaper's decision, announced on June 24, to lay off 50 employees? Was any justification for these layoffs provided by the newspaper or requested by the ministry in the light of the fact that publisher A. Roy Megarry continues to maintain that the Globe and Mail is operating profitably? How far may these layoffs have been precipitated by the dividend increase announced by Thomson Newspapers on May 21, which will increase the dividend income of the Thomson family to some \$30.5 million in 1982? [Tabled June 29, 1982].

Hon. Mr. Ramsay: The Globe and Mail did not contact the ministry prior to announcing the termination of 51 employees from its Toronto operations. In situations like this, where less than 10 per cent of the work force is affected, even though that is more than 50 employees, a company is under no obligation to advise the minister.

As the member is aware, the Minister of Labour does not have the authority to demand that a company justify its actions with respect to the termination of employees. However, when contacted by my officials in the ministry, the Globe and Mail readily discussed the reasons for the cutbacks in its staff, which, according to the company, were primarily due to the loss of advertising revenue.

I have no information on the member's concern about an increase in dividends.

DEPUTY MINISTERS

236. Mr. Nixon: Who are the employees of the government designated as deputy ministers and what are their salaries as of June 1, 1982? How many employees of the government of Ontario, by ministries, are paid over \$50,000 per year? [Tabled June 30, 1982].

Hon. Mr. McCague: The following employees of the government are designated as deputy ministers:

D. M. Allan, Deputy Minister of Agriculture and Food;

T. E. Armstrong, Deputy Minister of Labour;

A. G. Campbell, Deputy Minister of Correctional Services;

T. I. Campbell, Deputy Minister of Treasury and Economics;

R. D. Carman, Secretary of Management Board;

W. M. Cornell, Deputy Minister of Citizenship and Culture;

D. A. Crosbie, Deputy Minister of Consumer and Commercial Relations;

A. R. Dick, Deputy Minister of the Attorney General;

R. M. Dillon, Deputy Minister of Municipal Affairs and Housing;

H. K. Fisher, Deputy Minister of Education/-Colleges and Universities;

W. T. Foster, Deputy Minister of Natural Resources;

H. F. Gilbert, Deputy Minister of Transportation and Communications;

A. P. Gordon, Deputy Minister of Government Services;

J. D. Hilton, Deputy Minister of the Solicitor General;

D. Hobbs, Deputy Minister of Northern Affairs;

J. G. Laschinger, Acting Deputy Minister of Tourism and Recreation;

R. M. McDonald, Deputy Minister of Community and Social Services;

E. M. McLellan, Deputy Provincial Secretary for Social Development;

B. Ostry, Deputy Minister of Industry and Trade;

G. J. M. Raymond, Deputy Minister of the Environment;

T. M. Russell, Deputy Minister of Revenue;

G. W. S. Scott, Deputy Minister of Health;

D. Sinclair, Deputy Provincial Secretary for Justice;

D. W. Stevenson, Deputy Minister of Intergovernmental Affairs;

E. E. Stewart, Deputy Minister, Office of the Premier;

J. C. Thatcher, Deputy Provincial Secretary for Resources Development;

G. R. Thompson, Deputy Minister of Energy;

G. H. Waldrum, Chairman, Civil Service Commission.

Persons with the rank and status of deputy minister:

C. H. Westcott, Executive Director, Officer of the Premier;

H. D. Segal, Associate Secretary of Cabinet for Federal-Provincial Relations.

The salary range for deputy ministers is \$61,100 to \$77,375.

The following indicates the employees of the government of Ontario by ministry who are paid over \$50,000 per year as of May 31, 1982:

Ministry of Agriculture and Food, 15; Ministry of the Attorney General, 156; Ministry of Industry and Trade, 15; Ministry of Education, 30; Ministry of Health, 210; Ministry of Transportation and Communications, 30; Ministry of Labour, 40; Ministry of Natural Resources, 38; Ministry of Energy, 14;

Ministry of Community and Social Services, 73; Ministry of Government Services, 18; Ministry of Correctional Services, 15; Ministry of Revenue, 15; Ministry of the Environment, 22; Ministry of the Solicitor General, 39; Ministry of Colleges and Universities, six; Management Board of Cabinet, 20; Ministry of Treasury and Economics, 16;

Ministry of Consumer and Commercial Relations, 19; Ministry of Municipal Affairs and Housing, 31; Provincial Secretariat for Justice, one; Provincial Secretariat for Resources Development, three; Provincial Secretariat for Social Development, two; Ministry of Citizenship and Culture, seven; Ministry of Intergovernmental Affairs, six; Ministry of Tourism and Recreation, seven.

OPTED-OUT PHYSICIANS

240. Mr. McClellan: Will the Minister of Health compile by region and by medical specialty a list of current numbers and percentages of doctors opted out of OHIP? [Tabled July 5, 1982].

Hon. Mr. Grossman: Tabulation 1 below provides the provincial aggregate broken down on a county basis.

Tabulation 2 below provides the number and percentage of opted-out specialists in the province.

These data are as of May 31, 1982.

1. NUMBER AND PERCENTAGE OF OPTED-OUT PHYSICIANS BY COUNTY

County	Number of physicians			Per cent opted-out		
	GP	SP	TOTAL	GP	SP	TOTAL
Algoma	1	—	1	1.2	—	0.7
Brant	1	1	2	1.5	1.9	1.7
Bruce	1	1	1	2.6	—	2.5

County	Number of physicians			Per cent opted-out		
	GP	SP	TOTAL	GP	SP	TOTAL
Bruce	1	1	1	2.6	—	2.5
Cochrane	2	1	3	3.4	4.5	3.8
Dufferin	—	1	1	—	14.3	3.3
Durham	—	—	—	—	—	—
Elgin	—	1	1	—	3.8	1.6
Essex	9	14	23	4.9	8.6	6.6
Frontenac	4	3	7	3.6	1.6	2.4
Grey	2	9	11	3.6	24.3	11.8
Haldimand/Norfolk	—	3	3	—	42.9	5.0
Haliburton	—	—	—	—	—	—
Halton	25	39	64	13.2	30.0	20.1
Hamilton/Wentworth	11	21	32	3.3	5.1	4.3
Hastings	1	—	1	1.3	—	0.8
Huron	1	2	3	2.8	33.3	7.1
Kenora	—	—	—	—	—	—
Kent	—	—	—	—	—	—
Lambton	9	14	23	12.9	24.6	18.1
Lanark	—	—	—	—	—	—
Leeds/Grenville	3	1	4	5.7	3.2	4.8
Lennox/Addington	—	—	—	—	—	—
Manitoulin	—	—	—	—	—	—
Metro Toronto	153	853	1,006	7.5	35.0	22.4
Middlesex	18	103	121	6.2	24.9	17.3
Muskoka	—	1	1	—	8.3	2.0
Niagara	14	51	65	5.7	29.8	15.6
Nipissing	5	10	15	10.0	34.5	19.0
Northumberland	—	2	2	—	22.2	3.8
Ottawa/Carleton	43	131	174	10.9	19.1	16.1
Oxford	—	—	—	—	—	—
Parry Sound	—	—	—	—	—	—
Peel	35	58	93	12.2	43.9	22.2
Perth	5	6	11	11.1	25.0	15.9
Peterborough	5	35	40	6.3	38.9	23.5
Prescott/Russell	—	—	—	—	—	—
Prince Edward	—	—	—	—	—	—
Rainy River	—	—	—	—	—	—
Renfrew	—	1	1	—	4.2	1.2
Simcoe	28	25	53	17.7	34.7	23.0
Stormont/Dundas/Glengarry	—	1	1	—	2.4	1.0
Sudbury	5	15	20	4.8	16.9	10.4
Thunder Bay	1	7	8	1.2	8.5	4.8
Timiskaming	—	—	—	—	—	—
Victoria	—	—	—	—	—	—
Waterloo	25	46	71	12.4	30.3	20.1
Wellington	17	32	49	22.4	40.0	31.4
York R. M.	38	53	91	23.3	60.2	36.3

The county data are adjusted to eliminate inconsistencies arising from such features as physician relocations. These features are taken into account at the provincial level and consequently simple addition of county numbers in any one month may not necessarily coincide with the provincial totals.

2. NUMBER AND PERCENTAGES OF OPTED-OUT SPECIALISTS MAY 31, 1982 ONTARIO			
Specialty	Opted-out Percentages		
General practice	475	6.9	
Anaesthesia	350	62.4	

Specialty	Opted-out Percentages	
Dermatology	10	6.8
General surgery	148	20.9
Neurosurgery	8	13.6
Orthopaedic surgery	107	37.4
Plastic surgery	42	39.6
Thoracic and cardio-vascular surgery	4	9.8
Internal medicine	74	6.4
Neurology	6	5.1
Psychiatry	293	31.9
Obstetrics and gynaecology	215	38.9
Ophthalmology	130	43.0
Otolaryngology	54	26.5
Paediatrics	25	4.8
Pathology	2	1.8
Microbiology	0	0
Physical medicine	3	5.8
Diagnostic radiology	8	1.9
Urology	67	41.6
Gastroenterology	3	21.4
Cardiology	1	2.3
Clinical biochemistry	0	0
Clinical immunology	1	33.3
	2,026	15.2

241. Mr. McClellan: Will the Minister of Health table the most recently available total number of percentage of: (1) general practitioners; and (2) specialists, opted out of OHIP? [Tabled July 5, 1982.]

Hon. Mr. Grossman: The number and percentage of opted-out physicians as of May 31, 1982, is:

	Opted-out Percentages	
GPs	475	6.9
Specialists	1,551	23.8
	2,026	15.2

ALBANY CLUB RECEPTION

251. Mr. Wrye: Would the Treasurer please provide a list of invited guests who attended the reception following the presentation of the 1982 Ontario budget held at the Albany Club? Who issued the invitations? [Tabled July 5, 1982].

Hon. F. S. Miller: 1. See answer to question 152.

2. The Treasurer.

LUMP SUM PAYMENTS

252. Mr. Di Santo: Will the Minister of Labour table the following information: How

can the minister reconcile his answer to my question 225 in which he said, "There is no WCB order of January 1, 1978, regarding lump sum payments," with the letter of the Workmen's Compensation Board, dated October 1, 1979, signed by a Mrs. F. Mroczek to Mr. Giovanni Baccante (Claim C08750340) which states, "However, due to the board order of January 1, 1978, pensions paid previously in lump sum form must be deducted from any temporary total disability benefits being paid." Can the minister clarify and table the order? [Tabled July 5, 1982].

Hon. Mr. Ramsay: Although there is a reference to a WCB order of January 1, 1978, regarding lump sum payments, in a letter dated October 1, 1979, sent to Mr. Giovanni Baccante, there were no directives or policy statements approved on that date. However, a check of the records indicates that the correct reference in the letter should have been made to directive 9, dated January 3, 1978, as follows:

Directive 9: deduction of PD lump sum awards, partial or full commutation of pensions when temporary benefits are restored in the same claim:

When temporary benefits are being paid in the same claim in which the permanent disability was granted all lump sum awards, partial or full commuted pension benefits are to be deducted.

The only exceptions will be: (a) disfigurement awards paid under subsection 42(6) of the act; (b) employees involved in the Elliot Lake project due to the board's decision of February 8, 1977, page 4610#9 to pay excess benefits out of section 53 funds.

RESPONSE TO PETITION

TAX BURDEN

Sessional paper 163:

To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

We, the undersigned, beg leave to petition the parliament of Ontario as follows:

We, the undersigned, urge that the provincial budget 1982 be reconsidered as it is a burden to the taxpayer.

Hon. F. S. Miller: In these difficult economic times, it was necessary to draft a budget that would help improve our economy while, at the same time, maintaining the fiscal integrity of the government.

Recognizing that economic recovery and job creation must come from a healthy private

sector, I took specific and important steps to rebuild this confidence, in order to ensure that the private sector will have the resources, ability and inclination to take advantage of opportunities to expand and grow.

In this regard, I took three major steps: first, a \$171-million job creation program; second, the \$75-million renter-buy program, and third, the removal for two years of Ontario corporate income tax on small business.

It was my decision that these stimulative actions should not be financed at the expense of the government's fiscal integrity or existing service levels. In addition, the federal government last March legislated cutbacks in federal transfers for health and post-secondary education to Ontario of \$290 million. It was my view, therefore, that additional tax revenue was required to keep the deficit under control.

I recognize that the tax actions I proposed in my budget will place an additional burden on the taxpayers of this province. However, I am certain that all taxpayers of this province will appreciate that if the high quality services we all expect and desire are to continue, some additional funding is required.

INTERIM RESPONSES

Hon. Miss Stephenson: This will acknowledge receipt of a petition presented to the House re teachers' superannuation fund (sessional paper 178). I shall be pleased to provide a full answer on or about October 15, 1982.

Hon. Miss Stephenson: This will acknowledge receipt of a petition presented to the House re funding for Program 60 (sessional paper 179). I shall be pleased to provide a full answer on or about October 15, 1982.

APPENDIX B

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

Allen, R. (Hamilton West NDP)

Andrewes, P. W. (Lincoln PC)

Ashe, Hon. G. L., Minister of Revenue (Durham West PC)

Baetz, Hon. R. C., Minister of Tourism and Recreation (Ottawa West PC)

Barlow, W. W. (Cambridge PC)

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)

Bernier, Hon. L., Minister of Northern Affairs (Kenora PC)

Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)

Boudria, D. (Prescott-Russell L)

Bradley, J. J. (St. Catharines L)

Brandt, A. S. (Sarnia PC)

Breaugh, M. J. (Oshawa NDP)

Breithaupt, J. R. (Kitchener L)

Bryden, M. H. (Beaches-Woodbine NDP)

Cassidy, M. (Ottawa Centre NDP)

Charlton, B. A. (Hamilton Mountain NDP)

Conway, S. G. (Renfrew North L)

Cooke, D. S. (Windsor-Riverside NDP)

Copps, S. M. (Hamilton Centre L)

Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)

Cunningham, E. G. (Wentworth North L)

Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)

Davis, Hon. W. G., Premier (Brampton PC)

Dean, G. H. (Wentworth PC)

Di Santo, O. (Downsview NDP)

Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)

Eakins, J. F. (Victoria-Haliburton L)

Eaton, Hon. R. G., Minister without Portfolio (Middlesex PC)

Edighoffer, H. A. (Perth L)

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)

Elston, M. J. (Huron-Bruce L)

Epp, H. A. (Waterloo North L)

Eves, E. L. (Parry Sound PC)

Fish, S. A. (St. George PC)

- Foulds, J. F. (Port Arthur NDP)
- Gillies, P. A. (Brantford PC)
- Gordon, J. K. (Sudbury PC)
- Grande, T. (Oakwood NDP)
- Gregory, Hon. M. E. C.**, Minister without Portfolio (Mississauga East PC)
- Grossman, Hon. L. S.**, Minister of Health (St. Andrew-St. Patrick PC)
- Haggerty, R. (Erie L)
- Harris, M. D. (Nipissing PC)
- Havrot, E. M. (Timiskaming PC)
- Henderson, Hon. L. C.**, Provincial Secretary for Resources Development (Lambton PC)
- Hennessy, M. (Fort William PC)
- Hodgson, W. (York North PC)
- Johnson, J. M. (Wellington-Dufferin-Peel PC)
- Johnston, R. F. (Scarborough West NDP)
- Jones, T. (Mississauga North PC)
- Kells, M. C. (Humber PC)
- Kennedy, R. D. (Mississauga South PC)
- Kerr, G. A. (Burlington South PC)
- Kerrio, V. G. (Niagara Falls L)
- Kolyn, A. (Lakeshore PC)
- Lane, J. G. (Algoma-Manitoulin PC)
- Laughren, F. (Nickel Belt NDP)
- Leluk, Hon. N. G.**, Minister of Correctional Services (York West PC)
- Lupusella, A. (Dovercourt NDP)
- MacDonald, D. C. (York South NDP)
- Mackenzie, R. W. (Hamilton East NDP)
- MacQuarrie, R. W. (Carleton East PC)
- Mancini, R. (Essex South L)
- Martel, E. W. (Sudbury East NDP)
- McCaffrey, Hon. R. B.**, Minister of Citizenship and Culture (Armourdale PC)
- McCague, Hon. G. R.**, Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
- McClellan, R. A. (Bellwoods NDP)
- McEwen, J. E. (Frontenac-Addington L)
- McGuigan, J. F. (Kent-Elgin L)
- McKessock, R. (Grey L)
- McLean, A. K. (Simcoe East PC)
- McMurtry, Hon. R. R.**, Attorney General (Eglinton PC)
- McNeil, R. K. (Elgin PC)
- Miller, Hon. F. S.**, Treasurer of Ontario and Minister of Economics (Muskoka PC)
- Miller, G. I. (Haldimand-Norfolk L)
- Mitchell, R. C. (Carleton PC)
- Newman, B. (Windsor-Walkerville L)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Norton, Hon. K. C.**, Minister of the Environment (Kingston and the Islands PC)
- O'Neil, H. P. (Quinte L)
- Peterson, D. R. (London Centre L)
- Philip, E. T. (Etobicoke NDP)
- Piché, R. L. (Cochrane North PC)
- Pollock, J. (Hastings-Peterborough PC)
- Pope, Hon. A. W.**, Minister of Natural Resources (Cochrane South PC)
- Ramsay, Hon. R. H.**, Minister of Labour (Sault Ste. Marie PC)
- Reed, J. A. (Halton-Burlington L)
- Reid, T. P. (Rainy River L-Lab.)
- Renwick, J. A. (Riverdale NDP)
- Riddell, J. K. (Huron-Middlesex L)
- Robinson, A. M. (Scarborough-Ellesmere PC)
- Rotenberg, D. (Wilson Heights PC)
- Roy, A. J. (Ottawa East L)
- Runciman, R. W. (Leeds PC)
- Ruprecht, T. (Parkdale L)
- Ruston, R. F. (Essex North L)
- Samis, G. R. (Cornwall NDP)
- Sargent, E. C. (Grey-Bruce L)
- Scrivener, M. (St. David PC)
- Sheppard, H. N. (Northumberland PC)
- Shymko, Y. R. (High Park-Swansea PC)
- Snow, Hon. J. W.**, Minister of Transportation and Communications (Oakville PC)
- Spensieri, M. A. (Yorkview L)
- Stephenson, Hon. B. M.**, Minister of Education and Minister of Colleges and Universities (York Mills PC)
- Sterling, Hon. N. W.**, Provincial Secretary for Justice (Carleton-Grenville PC)
- Stevenson, K. R. (Durham-York PC)
- Stokes, J. E. (Lake Nipigon NDP)
- Swart, M. L. (Welland-Thorold NDP)
- Sweeney, J. (Kitchener-Wilmot L)
- Taylor, Hon. G. W.**, Solicitor General (Simcoe Centre PC)
- Taylor, J. A. (Prince Edward-Lennox PC)
- Timbrell, Hon. D. R.**, Minister of Agriculture and Food (Don Mills PC)
- Treleaven, R. L. (Oxford PC)
- Turner, Hon. J. M.**, Speaker (Peterborough PC)
- Van Horne, R. G. (London North L)
- Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
- Walker, Hon. G. W.**, Minister of Industry and Trade (London South PC)
- Watson, A. N. (Chatham-Kent PC)
- Welch, Hon. R. S.**, Minister of Energy (Brock PC)
- Wells, Hon. T. L.**, Minister of Intergovernmental Affairs (Scarborough North PC)

Wildman, B. (Algoma NDP)

Williams, J. R. (Oriole PC)

Wiseman, Hon. D. J., Minister of Government Services (Lanark PC)

Worton, H. (Wellington South L)

Wrye, W. M. (Windsor-Sandwich L)

Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council

Welch, Hon. R. S., Minister of Energy and Deputy Premier

Wells, Hon. T. L., Minister of Intergovernmental Affairs

Bernier, Hon. L., Minister of Northern Affairs

Snow, Hon. J. W., Minister of Transportation and Communications

Birch, Hon. M., Provincial Secretary for Social Development

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics

Timbrell, Hon. D. R., Minister of Agriculture and Food

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities

McMurtry, Hon. R. R., Attorney General

Henderson, Hon. L. C., Provincial Secretary for Resources Development

Norton, Hon. K. C., Minister of the Environment

Drea, Hon. F., Minister of Community and Social Services

Grossman, Hon. L., Minister of Health

McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabinet

Baetz, Hon. R. C., Minister of Tourism and Recreation

Wiseman, Hon. D. J., Minister of Government Services

Elgie, Hon. R. G., Minister of Consumer and Commercial Relations

Walker, Hon. G. W., Minister of Industry and Trade

Gregory, Hon. M. E. C., Minister without Portfolio

Pope, Hon. A. W., Minister of Natural Resources

Leluk, Hon. N. G., Minister of Correctional Services

Ashe, Hon. G. L., Minister of Revenue

Ramsay, Hon. R. H., Minister of Labour

McCaffrey, Hon. R. B., Minister of Citizenship and Culture

Sterling, Hon. N. W., Provincial Secretary for Justice

Taylor, Hon. G. W., Solicitor General

Eaton, Hon. R. G., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy

Brandt, A. S. (Sarnia), assistant to the Minister of Labour

Dean, G. H. (Wentworth), assistant to the Minister of Education and the Minister of Colleges and Universities

Fish, S. A. (St. George), assistant to the Minister of Citizenship and Culture

Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development

Gordon, J. K. (Sudbury), assistant to the Minister of Health

Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs

Hodgson, W. (York North), assistant to the Minister of Government Services

Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics

Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs

Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Trade

MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General

McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food

Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations

Rotenberg, D. (Wilson Heights), assistant to the Minister of Municipal Affairs and Housing

Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment

Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services

Williams, J. R. (Oriole), assistant to the Minister of Revenue

Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: chairman, Mr. Treleaven; members, Messrs. Brandt, Breithaupt, Elston, Eves, MacQuarrie, McLean, Mitchell, Renwick, Spensieri, Stevenson and Swart; clerk, D. Arnott.

General government: chairman, Mr. Barlow; members, Messrs. Dean, Eakins, Gordon, Haggerty, Hennessy, J. M. Johnson, Lane, MacDonald, McKessock, Samis and J. A. Taylor; clerk, F. Nokes.

Resources development: chairman, Mr. Harris; members, Mr. Andrewes, Ms. Fish, Messrs. Kolyn, Laughren, McNeil, Reed, Riddell, Stokes, Sweeney, Villeneuve and Williams; clerk, A. Richardson.

Social development: chairman, Mr. Shymko; members, Messrs. Boudria, Cooke, Ms. Copps, Messrs. Gillies, R. F. Johnston, Kells, McGuigan, Pollock, Robinson, Sheppard and Watson; clerk, G. White.

Members' services: chairman, Mr. Robinson; members, Messrs. Grande, Havrot, Hodgson, Jones, Mackenzie, G. I. Miller, Piché, Rotenberg, Runciman, Ruprecht and Wrye; clerk, A. Richardson.

Procedural affairs: chairman, Mr. Kerr; members, Messrs. Breaugh, Charlton, Edighoffer, Epp, J. M. Johnson, Lane, Mancini, Piché, Rotenberg, Treleaven and Watson; clerk, S. Forsyth.

Public accounts: chairman, Mr. T. P. Reid; members, Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Wildman and Yakabuski; clerk, G. White.

Regulations and other statutory instruments: chairman, Mr. Eves; members, Mr. Barlow, Ms. Bryden, Messrs. DiSanto, Gordon, Hennessy, Hodgson, Jones, Kerrio, McEwen, Runciman and Van Horne; clerk, D. Arnott.

SELECT COMMITTEES

Ombudsman: chairman, Mr. Runciman; members, Messrs. Boudria, Cooke, Gordon, MacQuarrie, G. I. Miller, Mitchell, Philip, Piché, Shymko, Treleaven and Van Horne; clerk, G. White.

Pensions: chairman, Mr. J. A. Taylor; members, Messrs. Brandt, Cousens, Cureatz, Gillies, Haggerty, Jones, Mackenzie, McClellan, Riddell, Van Horne and Williams; clerk, G. White.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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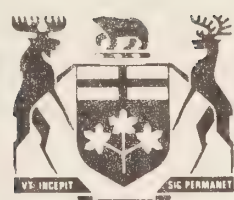
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Welch, Hon. R. S., Minister of Energy (Brock PC)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)
Wrye, W. M. (Windsor-Sandwich L)



Ontario, 11/1/1982

No. 100

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, September 21, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council, the parliamentary assistants and members of the standing committees, also appears at the back as an appendix.

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LEGISLATURE OF ONTARIO

Tuesday, September 21, 1982

The House met at 2 p.m.

Prayers.

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mr. Speaker: I beg to inform the House that I have laid upon the table a copy of an order in council dated August 12, 1982, revoking order in council 1424/82 and advising that the Honourable Thomas Leonard Wells has returned to his ministerial duties and will resume his position as a commissioner on the Board of Internal Economy.

STATEMENTS BY THE MINISTRY PUBLIC SECTOR RESTRAINT

Hon. Mr. Davis: Mr. Speaker—
Applause.

Mr. Kerrio: That is the good news.

Hon. Mr. Davis: I say to the member for Niagara Falls that I will try to deal with the statement without too many interjections, but if I am prompted I am ready to reply.

Mr. Kerrio: I'll be here.

Hon. Mr. Davis: Well I know you will make a deal.

Today represents a critical opportunity for the Legislature of this province to address those issues of vital concern to the health of our economy, our province and all its citizens.

For some time governments in all parts of this country have sought to define their economic goals and objectives within the context of a national program for economic recovery.

We in this province have affirmed and continue to affirm a commitment to social progress through economic growth. Indeed, the strong performance of our economy in the past has been the foundation for our greatest social achievements.

It has created opportunities for the disadvantaged to advance, for families to educate their children, for the average worker to gain the security of home ownership and an adequate pension. Finally, it has enabled government to maintain and expand on a range of public services from transportation to our health care system.

But inflation and recession both frustrate these long-standing goals and jeopardize our social advance. The economic circumstances in which we currently find ourselves limit the opportunities for young men and women to find gainful employment, reduce the rewards of work and thrift and imperil government's own capacity to maintain even existing social programs.

During the past year, all Canadians have shared a common frustration with Canada's seeming inability to share economic recovery.

We have become mired in the longest recession in post-war history. Unemployment has soared to record levels with well over a million Canadians out of work at present. Layoffs and bankruptcies have become increasingly frequent, symptomatic of the profoundly adverse impact that high interest rates have had on economic activity. Few sectors have been spared, but the construction, manufacturing and mining industries, all critical to the jobs and incomes of Ontarians, have been particularly hard hit.

Inflation continues to be a major problem. The consumer price index rose by 12.5 per cent last year, the highest increase in more than three decades.

Some have argued that recession and unemployment are necessary to reduce domestic inflation by wringing out the inefficiencies of our market economy. But attempting to wrestle inflation to the ground at the expense of jobs is surely an untenable policy for Canadians. The economic and social costs are simply too enormous.

Governments in Canada do not and cannot, of course, control all factors affecting the Canadian economy. Recession in the United States and Europe is not subject to correction by Canadian public policy. Moreover, interest rate developments in the United States do at least partially dictate the extent of acceptable action on the part of Canadian authorities.

At the same time, in our view, these constraints cannot be used to deny our domestic responsibility to make our best efforts to provide for immediate economic recovery and to create the framework for economic growth through the rest of this decade.

Throughout the 1970s, the social imperative

in this country was to create jobs. It is Ontario's view that sustaining and creating employment should continue to be this nation's highest priority.

There are those who would argue that to place the need for jobs first is to deny the seriousness of the threat posed by inflation. Clearly, in our view that is not true. Ontario has warned at conference after conference, many times, of the link between domestic cost inflation, international competitiveness and lost export markets and jobs. The question, however, is how best to break inflation without losing jobs.

I think we all realize in this House that there are no easy answers, no quick fixes to the economic difficulties in which we find ourselves. But there are positive measures that can and should be taken by all levels of government.

I think everyone agrees that high interest rates are the principal obstacle to economic recovery. They have discouraged investment, depressed the housing market, added to inflation and undermined the confidence of Canadians in their economic future.

Although the whole economy suffers from high interest rates, some sectors are affected more severely. Households are hard hit by high interest rates as are small businesses, farmers and manufacturers of consumer durables, such as automobiles, appliances and capital equipment.

2:10 p.m.

Moreover, the narrow pursuit of American interest rates to curb domestic inflation has failed to reflect what ought to be our two key national objectives: creating and sustaining employment and effectively lowering the rate of inflation.

Deliberately increasing unemployment and consciously reducing domestic demand through the blunt instrument of tight monetary policy is, in our view, clearly misguided. It betrays a serious lack of confidence in the capacity of our economy to grow and to prosper. It carries unacceptably high social and economic costs which Canadians in all regions of this country have felt to be devastating in their effect. And, perhaps most important, it is simply not working.

It is our view that some more appropriate mix of fiscal and monetary policies, some middle ground between restrictive monetary and expansive fiscal policies, is necessary to achieve real and sustained economic growth.

We stated our position clearly at the first ministers' conference in February of this year, and we have repeated it on every available occasion since. We remain convinced that a

national program of economic recovery, based on the objective of sustained growth without inflation, is both critical and possible for all Canadians.

While Ontario respects that each province and each region has its own particular problems and potentialities, the absolute truth is that Canadians in every part of this country have experienced the effects of a recession that is nationwide. Ours is a national economy, highly integrated, with each part depending upon the others, and ours is a federal state where each jurisdiction depends upon the others to determine our national goals.

So, while the individual efforts of provincial governments can and do have an impact upon our national economy, recovery in all parts of Canada can be engendered only by a program that embraces the whole country and in which all provincial jurisdictions act in concert with our federal government. Surely, these shared difficulties justify a national program that creates an equitable and stable framework in which economic recovery can be shaped.

One central element in such a recovery package is a national incomes policy. A comprehensive program of wage and price controls for all Canadians would have several advantages. It would reduce inflationary expectations; restrain domestic cost pressures and improve our competitive position; spread the costs of combatting inflation across a wide spectrum of society and demonstrate economic leadership at a time when consumer and investor confidence is at an all-time low in this country.

More important, such a national program would contribute to maintaining the strength of the Canadian dollar. This would in turn allow for a lowering of our domestic interest rates. As such, it would aid significantly in restoring business confidence, in increasing international trade and, most important, in restoring the thousands of jobs already lost to the vagaries of the current federal policy.

Therefore, I repeat my contention that to be truly effective, any program of controls must be national in its scope and universal in its application.

From a strictly legal standpoint, there is no question that the province of Ontario has the authority to impose mandatory wage, price or profit controls on all sectors within this province, except those industries within the federal jurisdiction. But such a program, applied only in Ontario, would impose both inequity and inefficiency upon our citizens.

Across-the-board wage controls only in this province would severely restrict the mobility of workers, with national companies encountering difficulties in both the wage treatment and location of workers doing exactly the same job. The skilled workers required to meet our high-technology sector would be drawn to other provinces when they are essential to investment projects generating both jobs and incomes for Ontarians.

Comprehensive price controls in a single province within what I still regard as a common market, which should and does currently guarantee free interprovincial trade, would also create enormous monitoring and enforcement problems.

To the extent that we could overcome these difficulties within a provincially administered program, it would in itself pose a serious threat to the free movement of labour, goods, services and capital which Ontario has always championed in federal-provincial discussions.

At this point in time, the federal government and a majority of the provinces believe that a controls program need not be universal in its application. It is their conviction that the private sector will begin to respond to the pressures of both inflation and recession voluntarily. The staggering losses of employment in the private sector, where more than 300,000 Canadians lost their jobs in the past year, demonstrate the extent to which private sector workers have had to bear the burden of the recession.

With far less job security than employees within the public sector, private sector workers may well be called upon to restrain their wage demands even further, without the imposition of mandatory controls.

Similarly, the real profit losses experienced by a number of Canadian industries seriously question the need for profit controls at this juncture in our economic history.

Reluctantly, therefore, and stating our position clearly and unequivocally, we have decided to join with those who ask that the private sector should be given an opportunity to respond in its own way to the need for restraint.

Mr. Laughren: You have changed your mind?

Mr. Martel: Is that a new position?

Hon. Mr. Davis: To those members from the New Democratic Party who are interjecting, I point out that the Ontario Federation of Labour opposed controls in the private sector as well. I thought I would pass that on to them in case they did not know.

Should the private sector fail to voluntarily comply with these demands, we believe that the federal government, in concert with the provinces, should act to put a national program of comprehensive controls in place.

I do not want to be too optimistic, but I must say that I really do sense that in the past six to eight weeks there has been some genuine movement within the private sector in relation to the inflation program. I say that as one who had some very serious misgivings in the early part of July.

To deal with the issue I have just raised, we will be tabling a bill in the Legislature today which enables Ontario to enter into an agreement with the federal government respecting a national anti-inflation program.

To assess the degree of voluntary compliance in the private sector with regard to our restraint objectives, we will be establishing a board empowered to monitor wage and price increases in the private sector for the duration of our broader restraint program.

I remain convinced that only a national program of controls could strike the delicate balance between equity and efficiency and allow for some measure of popular acceptance of the shared sacrifices necessary for economic recovery. As for our part, we cannot shirk our responsibility to do what we can effectively do within our own jurisdiction and within our own capacity to bring about economic change.

In this regard, I repeat my call for public sector expenditure restraint. Reduced government demands on the capital market will make an important contribution to reducing pressures on interest rates.

Public sector cost reductions can be passed through to the private sector through the tax system and through other charges for government services. These reductions alone will have a significant impact on the performance of the consumer price index and will contribute to reduced inflation in the private sector.

I wish to make abundantly clear that the fundamental principle that should govern our approach to restraint is simple. Our restraint programs should not needlessly or ruthlessly add public employees to the unemployment rolls; nor should they undermine the capital base of our economy upon which sustained recovery will depend. Our task is to find efficient yet sensitive ways to achieve economic recovery.

Restraint by all public agencies in this province can actually preserve jobs and diminish

unemployment. It is surely better to have many employees who share a moderate pay increase than to have people out of work because local school boards, hospitals or governments in themselves cannot afford higher settlements.

I think the record of this government on restraint is a sound one. Over the past seven years—

Mr. Cooke: Tell the doctors that.

Hon. Mr. Davis: I know my friend has a hangup about the doctors.

I think this government's record on restraint is a sound one. Over the past seven years, the number of our public servants has actually decreased by six per cent. The salaries at the senior levels of government have risen at about one half the rate of inflation for almost 10 years. In our most recent budget, we cut the level of salary increase to six per cent for all senior government employees, well in advance of any federal government initiatives. In fact, that also applied to members of this House. In July and August of this year, we expanded upon our commitment to constrain expenditures in this current fiscal year.

2:20 p.m.

These achievements have allowed us to have some fiscal room to deal with the current economic situation without cutting back on services or eroding the job security of employees within the public sector. But there still is much that can be done.

Under the direction of Management Board, all ministries will be asked to identify areas where further expenditure restraint will be possible without affecting the level of service to the public. In keeping with these directives to significantly reduce our current fiscal account, Management Board is currently working with all ministries to reduce their operating budgets.

Mr. Cooke: What about the International Monetary Fund?

Hon. Mr. Davis: If the honourable member wants to raise the IMF, he should speak to his leader; he told me yesterday what a great performance it was in terms of our visitors from overseas. The member says he did not like it; he should consult with his leader as to what he felt about it. Let him go and ask Bob Rae.

Mr. Speaker: Order. Just continue with your statement, please.

Mr. Breithaupt: He liked the opening night at Roy Thomson Hall.

Hon. Mr. Davis: Yes. He liked the opening night at Roy Thomson Hall as well.

Mr. Van Horne: He probably likes motherhood too.

Hon. Mr. Davis: I hope so. I will repeat the last sentence I read before I was so rudely interrupted by the member for Windsor-Riverside (Mr. Cooke).

In keeping with these directives to significantly reduce our current fiscal account, Management Board is currently working with all ministries in order to reduce their operating budgets.

As an example of our need to reflect on all our expenditures and to take into consideration changing priorities, we have reached an agreement with Canadair Ltd. in Montreal to cancel our order for the Challenger jet—

Applause.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: —to cancel our order for the Challenger jet in return for a commitment to purchase two CL215 water bombers and related equipment required for our forest fire service.

Interjections.

Mr. Speaker: Order, please. You will have plenty of time—order. Now back to the statement, please.

Hon. Mr. Davis: Mr. Speaker, I would like to add two brief observations so that this will be clearly understood. I think I recall what the member for Lake Nipigon (Mr. Stokes) was reported to have said in committee, that we should have done it 10 years ago.

Interjection.

Hon. Mr. Davis: Yes, I know the member was in support of it; I understand that.

I just make two points. In politics one deals with perceptions. I understand the symbolism that is created by the acquisition of the Challenger jet. But I also want to make it abundantly clear, so that all members will understand, that this does not reflect upon the technical proficiency of the plane itself.

Mr. Laughren: Oh, no.

Hon. Mr. Davis: I only say to the honourable member, I want to make it abundantly clear—

Interjection.

Hon. Mr. Davis: No, I am not getting into any trouble at all. I just want to make it abundantly clear that Canadair is the only Canadian company producing an aircraft of this kind, with a

lot of the components produced in Ontario. That was part of the decision.

For those in the Liberal Party opposite who applauded so vigorously, I have a list of the total number of executive jets currently being used by federal government cabinet ministers and those on order. I will send a list and they can communicate it to them.

Mr. Peterson: What are you going to do? What about your strategy?

Interjections.

Hon. Mr. Davis: I would say to the honourable member that while he was cynical about the concept of—

Mr. Speaker: Order. This is not question period, and I would advise all members to withhold their questions until the proper time. Statement, please.

Hon. Mr. Davis: Mr. Speaker, I would just add one further editorial comment. While the Leader of the Opposition (Mr. Peterson) was cynical about this aircraft being outfitted for ambulance service, that was being done. The people of the north, I am sure, will understand.

Mr. Breithaupt: They sure will.

Hon. Mr. Eaton: The last Liberal seat in the north will go.

Interjections.

Hon. Mr. Davis: They will not get a Liberal seat up there in the next—

Interjections.

Hon. Mr. Davis: Mr. Speaker, is it not proper for you to name strangers in the House? I see a stranger sitting over there.

Mr. Speaker: I am not sure whether he is a stranger or in camouflage.

Hon. Mr. Davis: Camouflage is a wonderful word.

Mr. Speaker: However, I did have an interview with the member for Rainy River (Mr. T. P. Reid) in my office, and I can assure you he is the same person.

Hon. Mr. Davis: I am sorry to hear that. I was hoping he had changed.

Since the announcement of a federal restraint program in June of this year, we have spent many hours discussing the design and implementation of a more broadly based restraint effort within our own province.

I hope this House and the people of this province will believe me when I say that no decision taken by my government has received

so much attention, so much discussion and so much genuine concern.

While we proceed with some reluctance, I sincerely believe that the program we have developed is the best one that could have been developed, given all the vagaries of federal economic strategy and all the constraints of provincial fiscal policy. In essence, we are proposing to the Legislature, for its approval, a one-year, five per cent wage freeze in all areas of the public sector in this province, with appropriate transitional arrangements.

In designing the program, which the Treasurer (Mr. F. S. Miller) will address in detail, we have stressed the following principles: the widest possible coverage of those receiving public funds, equity through comparable treatment, equity in the treatment of those with relatively low incomes, the continuation of labour-management negotiations on a range of non-monetary issues and attention to increasing productivity and maintaining public sector employment.

I have been quoted as saying that singling out the public service is inequitable. I am not retreating from that contention. But the truth of the matter is that there is a great deal of inequity in our current economic circumstances.

For example, the measure of job security afforded those who work in the public sector must be viewed as somewhat inequitable when many taxpayers are facing reduced work hours, lower or no salary increases or the total loss of income through layoffs.

This program, therefore, may not be equitable in the narrowest sense of the word, and I am not suggesting for a moment it is, but we believe it to be fair and, most important, we believe it reflects the most we can and should do on the wage side at this time.

However, we cannot and do not expect public sector workers to accept these wage restraints without some measure of relief on prices. All prices and fees charged by ministries within this government will be held to increases not in excess of a five per cent guideline.

A cabinet committee will be established to review all those increases in prices set or regulated by government agencies and boards, taking into account that some reasonable cost pass-throughs and economic criteria will form part of our considerations.

We fully expect that a wide range of regulated prices will be held to the five per cent rule on the advice of the cabinet committee. Where any question arises as to the allowable increase,

cabinet may refer these price increases to a board empowered to administer both the compensation restraint program and the monitoring of private sector wage and price settlements.

2:30 p.m.

I would take this occasion to announce that as a first initiative within the administered price regulations, just as an illustration, tuition fees for colleges and universities will not be allowed to increase by more than five per cent in the next academic year. That refers basically to the fall, although some will be on a staggered year.

The administration of this program will require judicious, experienced leadership. As such, I am pleased to announce the appointment of Mr. Jack Biddell—

An hon. member: Jack Riddell?

Hon. Mr. Davis: No, God forbid; Biddell—former chairman and chief executive officer of the Clarkson Co., as chairman of our inflation restraint board. I think he will bring experience and a real measure of sensitivity to this most difficult position. His years of public service, especially with regard to the federal anti-inflation program, combined with his lengthy private sector experience will be a valuable source of counsel to this government in the fight against inflation.

The inflation restraint program which we are proposing today is but one step in a process to promote economic recovery. We are currently working on a further series of initiatives designed to generate further employment and to stimulate economic activity.

We will require the co-operation of the federal government of Canada to achieve these objectives. As such, I would ask the Prime Minister to reconsider his position and convene a first ministers' conference on the economy as soon as possible. An important second step would be the establishment of a national task force on economic recovery, involving all levels of government, industry and labour. It could provide a valuable forum for business, labour and governments to review proposals and to establish the policies necessary for a sustained and vigorous economic recovery.

Failing such co-operation, we, as the government of this province, are prepared to do what is necessary to protect the jobs and security of our citizens. The Treasurer is contemplating a range of measures for introduction this fall, barring any federal efforts to help us in this regard.

But I emphasize this—and I am digressing from my notes have to say publicly that while

many premiers' conferences lead to something other than unanimity—they certainly have over the past two or three years—I genuinely sensed in Halifax, and sure I was the only one who felt that the public sector control program should be national and I guess I differ with my colleagues on some other things, but on one issue there was total unanimity, and that was that there was a responsibility, and the other first ministers were prepared to accept theirs, in terms of a federal-provincial meeting, co-operation or what have you, in a way that I have never sensed before.

It was not just a question of blaming the feds. There was just a feeling that I sensed that the other first ministers were saying to the Prime Minister of this country: "Mr. Prime Minister, this issue is not going to be solved by any single government, certainly not by a provincial government. We are prepared to work with you to find some tenable solutions."

With respect to the program being announced today, we will need the understanding and support of all Ontarians if we are to successfully position this province for economic recovery. In particular, the public servants of our province will be asked to bear an additional burden for the period of one year. I have every confidence that they will assume their responsibility in this fight against inflation.

I have reminded my fellow premiers that the economic difficulties we face go beyond mere political partisanship. I repeat that caution. Hopefully some will be listening today. No responsible leader should be tempted to use the economic hardships of millions of Canadians as a means of advancing his own political ends. I trust that together we can find the means and the will to best achieve economic recovery for this province and for our country. The people of this province and country deserve our fullest efforts.

WAGE AND PRICE RESTRAINT PROGRAM

Hon. F. S. Miller: Mr. Speaker, in the last 10 years we have all been caught up in a period of extreme economic turmoil. All groups in society have reacted as best they could to meet their respective needs and obligations.

In the process, however, we have collectively tried to take out of the economy more than it has been able to provide. In doing so we have created serious problems for the future. I think the vast majority of Ontarians recognize this and realize that the time has come when we must all pull back, and all pull back together.

I mention this fact because I want this House to know that the legislation I will introduce today on behalf of the government is not an attack on any one sector. This province has the finest public service in the country. We are simply asking that sector to moderate its wage increases.

First and foremost, this is a program to get inflation under control. It aims to accomplish its objectives by avoiding draconian measures such as massive layoffs. It lessens the burden of government on the economy. It is a crucial step in this province's economic recovery plan.

I now wish to turn to the details of this program. It has three main thrusts to it. First is the imposition of wage restraint in the public sector. Second is the creation of an administered price restraint program. The third thrust is the introduction of legislation which would enable the province to enter into a national anti-inflation program.

Let me deal first with public sector wage restraint. This program will apply to all elements of the Ontario public sector. Coverage will include members of the Legislature, employees of the provincial government, all Ontario municipal and provincial corporations, commissions, boards and agencies. This includes all universities, colleges, hospitals, health boards, library boards, and so on; all provincial and municipal appointees, including directors of public agencies, members of provincially and municipally appointed boards and provincial judges; members of municipal councils, local councils and school boards.

There are a number of organizations that deliver public services on behalf of government. They are either funded directly by us, or are under contract to us. These groups will also come under our restraint program.

The wage restraint package which I am introducing will introduce and create a control year. That year will run from October 1, 1982, to September 30, 1983. Compensation plans that expire during the control year will automatically be extended for 12 months with a five per cent limit. The only exceptions to this limit will be employees at the lowest end of the pay scales. Full-time employees earning under \$15,000 will receive an increase of up to \$1,000 per annum, allowing them raises in excess of five per cent.

Current contracts that are scheduled to expire after September 30, 1983, will also be affected by the controls program. For example, a two-year contract running from April 1, 1982, until March 31, 1984, would be limited to a five per

cent pay increase for one year as of April 1, 1983. In other words, the controls will go into effect on the contract's anniversary date during the control year.

At some point all public sector workers will have to pass through the program. The exact time of passage, however, will vary.

The program recognizes that there are a number of outstanding contracts from the precontrol period. The legislation contains transitional provisions that will deal with these situations in a fair and equitable manner.

2:40 p.m.

In addition, all public agencies that charge prices and all private companies whose prices are provincially regulated will be subject to price review. This will be for a period of one year, starting from the date of any price increase after September 21, 1982.

Examples of public agencies whose prices will be reviewed include GO Transit and the Ontario Northland Transportation Commission.

Private companies whose prices will be affected are those that are subject to regulatory review by bodies such as the Ontario Energy Board, the Ontario Highway Transport Board and the Ontario Telephone Services Commission.

The program will be administered by an Inflation Restraint Board. A further responsibility of the board will be to monitor wage and price developments in the private sector. The government will use this information to encourage responsible behaviour in the marketplace. It will also make this information available to the government of Canada.

The second thrust of our program—Mr. Speaker, I am having a problem. A note has just been passed to me. Two pages are out of sequence in my speech.

Mr. T. P. Reid: That's the way you see it.

Hon. F. S. Miller: If the honourable member has noticed it, he is better than I am. In any case, at this point I'll put 6 behind 7 and go ahead on schedule.

Mr. R. F. Johnston: The province is in your hands, Frank, which is some indication of why we are in an economic mess.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: The members opposite will never notice the difference, because I am now on page 6.

The compliance period for all fees, licences and prices charged by ministries will begin

immediately. As the Premier mentioned, tuition fees will be limited to a five per cent increase next year. The same will hold true for car licence fees, provincial park permits, hunting and fishing fees and so on. These constraints will be in place until December 31, 1983.

Now, this is the page we repeat:

In addition, all public agencies that charge prices and all private companies whose prices are provincially regulated will be subject to a price review. This will be for a period of one year starting from the date of any price increase after September 21, 1982.

Examples of public agencies whose prices will be reviewed include GO Transit and the Ontario Northland Transportation Commission.

Private companies whose prices will be affected are those that are subject to regulatory review by bodies such as the Ontario Energy Board, the Ontario Highway Transport Board and the Ontario Telephone Services Commission.

Individual ministers will be charged with ensuring that administered prices within their domain conform to the guidelines. Let me summarize the two main elements of the criteria that will be used in assessing allowable price increases for regulated private companies.

First, in determining what a fair price increase is, we will recognize up to a five per cent increase in the compensation package. Second, all other cost increases, including purchases of goods and services, financing charges, depreciation and taxes, may be passed through.

When a minister identifies a price increase that does not conform with these criteria, he may bring it to the attention of a new cabinet committee on administered prices.

The chairman of this committee will be the Minister of Consumer and Commercial Relations (Mr. Elgie). His committee will have authority to recommend to cabinet that it reduce, delay or disallow any administered price increases. It may also request that the Inflation Restraint Board review a particular increase and report its findings back to the committee.

If the application of the criteria causes adverse economic impact, such as layoffs or seriously impaired financial status, then this will be taken into account in a review by the cabinet committee.

The third element of this program that I wish to discuss deals with the second piece of legislation that I will be tabling today. The program we are introducing gives the private sector the opportunity to respond on its own to the need for restraint. However, if their efforts are not

successful, the legislation enables the province to join with the federal government and other provinces in a comprehensive national program.

The steps this government is taking today are not merely symbolic. They should demonstrate to management and labour in the private sector that we ask no more of them than we do of ourselves. No program can be completely equitable. This program does not treat every Ontarian alike because every Ontarian is not alike.

For almost half a million of our fellow citizens the biggest difference, the biggest inequity, is that they are unemployed. By limiting public sector wage increases, this program attempts to refrain from adding to these rolls by avoiding the need for public sector cutbacks and layoffs. In addition, we believe that by easing government demands on the economy we can set an example, one that will help avoid the jarring inflationary settlements that have led to layoffs in private industry.

There will inevitably be comparisons between the federal six and five program and the one introduced by us today. I would like to point out to this House some of the more salient differences. Our program has dramatically broader coverage provisions than the federal program. Ottawa has covered its public service and its crown corporations plus the railways. The Ontario program covers not only the entire provincial public service and its crown corporations, but also workers in the municipal, health and education sectors.

In order to give this House a full appreciation of just how significant an undertaking this program is, we are dealing with over 50 separate labour organizations affecting some 2,700 collective agreements and over half a million employees. Furthermore, where under the federal program most employees would not reach the five per cent limit until the second year, our program will bring over two thirds of Ontario's public sector directly under the five per cent limit within the next 12 months.

On balance, we believe our program contains measures that are significantly tougher than Ottawa's, but which at the same time provide greater flexibility. The federal government treated the highest income groups the same as the lowest. In our program, as an example of our flexibility, we have made special provisions for low-income groups.

The program this government introduces today is among the most important initiatives it has ever brought before this House, not only because of its broad scope, but because it sets a

new direction in this fight against inflation. It calls upon the federal government to work with us in developing a national program for economic recovery. It calls upon the private sector to continue its efforts to moderate wage settlements and increase productivity. It calls upon the members of Ontario's public sector to support the efforts of this program, not only in curbing inflation but in getting the 500,000 unemployed in Ontario back to work.

We know that with the support of the people of Ontario, including our civil servants, teachers, hospital workers and other members of the public sector, this program will succeed. With its success, we will see inflation's rise blunted and this province firmly planted on the road to economic recovery.

Whatever differences we may have, whether they are between public and private employees, labour and management or even between political parties, they are far outweighed by the common interest we share in seeing a strong and stable Ontario. It is therefore very much in the interest of every group to work together to achieve the objectives of this program.

Mr. Wildman: Mr. Speaker, surely we should let the Minister of Labour get up and give a statement on job creation and the effect on collective bargaining.

Mr. Speaker: Order, order.

Mr. Cooke: What about the right to strike? Why didn't you mention that?

2:50 p.m.

ORAL QUESTIONS

JOB CREATION

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. The Treasurer is no doubt aware that in the months intervening since his last budget there has been a very serious and major deterioration of the economy in Ontario. Unemployment is up dramatically, as he said in his statement. We have close to 500,000 unemployed. Layoffs increased dramatically in July. The number of people employed is down over a month or a year ago. Business bankruptcies are up by a dramatic number.

What I am saying is that the economy of this province has deteriorated. At this point we see absolutely no evidence of any job creation programs, with the exception of Morley Rosenberg. What is the minister going to do for the 500,000 unemployed in the province now and over this long cold winter we are going to have?

Hon. F. S. Miller: Mr. Speaker, I am sure the Leader of the Opposition was aware of the meeting of the premiers held in Halifax and the discussions in that meeting about the state of the economy. While there was not total agreement on actions to be taken by provinces to restrain public spending, I would say there was unanimous agreement that there was a need for a national economic recovery program.

I have met with the new Minister of Finance. I have passed to him the message from my Premier that there is an urgent need for a first ministers' meeting on the economy and an urgent need for an economic recovery package. Twice Ontario has submitted a long list of potential ways of improving the economy. We believe they need to be tackled at the national level and we are prepared to work with them.

Mr. Peterson: The Treasurer believed the restraint program should be handled on the national level too, but he went ahead on his own and did not follow the leads the federal government provided. Obviously there are very serious problems. Is his response going to be, "There is nothing we can do here in Ontario," or is he going to come forward with a recovery program here in this province? We are the biggest. Relatively speaking we are still the richest even though we are deteriorating. Why can the Treasurer not do something? He did something in the restraint area.

Hon. F. S. Miller: The Leader of the Opposition assumes we have done nothing. In the last few months a few things have been abundantly clear. While other people are falling by the wayside with their triple-A ratings this province still maintains one. Why? Because we have maintained a credible economic posture. That triple-A was not a measure just of our credit worthiness. It was a measure of the underlying strength of this economy.

I would like to point out that we have seen a dramatic drop in interest rates across the summer. I believe that drop is going to continue. We have put about \$500 million of various incentives into this year's budget. Those are paying off now. We are seeing an improvement in housing sales, for example; we need more, but at least we have taken some steps, not the least of which has been to continue to restrain our spending.

Mr. Foulds: Supplementary, Mr. Speaker: Would the Treasurer mind explaining how restricting wages in the public sector, for people who work in children's aid societies and rehabi-

litation centres for crippled children, and taking away their right to collective bargaining, creates one new job in Ontario when there are 689,000 people unemployed today?

Hon. F. S. Miller: Mr. Speaker, my friend in the NDP would assume that the surest way to have more people at work is for government to spend more money. That is not true. We have to be very conscious not just of organized private sector employees and organized public sector employees, but unorganized private sector employees who are perhaps the ones suffering most in today's economy.

I would have to say those of us who share—and the members and I do to a degree—relative security of income have a responsibility not to be getting increases at a time when other people cannot even have their jobs. We have to show that leadership.

Mr. Peterson: When I asked the Treasurer about unemployment, he gave us a speech on our triple-A credit rating, which is floundering at the moment because of some questionable expenditures the government has made with its oil companies and things of that type. It has been under review for those reasons. My question is not about our credit rating. My question is about the 500,000 unemployed people in this province, a record number since the time of the Great Depression. What is the Treasurer doing about it? He is the one who said in his statement today that this is only the first step. How long do these people have to wait for relief?

Hon. F. S. Miller: It is not the responsibility of the Leader of the Opposition ever to see anything good done by this province or by this government, I accept that. A lot of other people, though, have been looking at it and have said that this province has led the way. It is up to the federal government now to do a few things itself. We simply suggest we are prepared to.

The only thing that will make our industries productive is for government not to occupy all of the savings of this country, as it is currently doing, by high spending. That is one of the reasons we took these steps today.

ECONOMIC RECOVERY

Mr. Peterson: Mr. Speaker, in their statements today, the Premier and the Treasurer said the restraint program is only the first step. They are calling for national action for an economic recovery package. We agree with that. The question is, what are they doing? Is their only

response to call a meeting or do they have some plans, and if so, what are they?

Hon. F. S. Miller: Mr. Speaker, obviously our purpose is to negotiate with the federal government first.

Mr. Peterson: What did the Treasurer tell Mr. Lalonde? What are the Treasurer's ideas for economic recovery? What does he want the federal government to do? What can he do here? Why is he not doing something now?

Let us not deceive anyone in this province into thinking the government is going to solve our economic problems just by bringing in some restraints. If the Treasurer says that, he is less than honest as a Treasurer.

Hon. F. S. Miller: We have been quite critical of the six and five program in Ottawa as only one part of the solution. We have said, and all the premiers have said, that this is a country; it does require a national understanding.

Belatedly, the first minister has turned his mind to that; he has appointed a new Minister of Finance. I happen to think very highly of the gentleman. I would rather spend some time giving him and giving ourselves the chance to work out co-operatively some of the problems of this country than assume he is not prepared to do so. I have seen him. He has been my counterpart for three years in hell. I think I understand him. Let us see if we can solve those problems, but it does require them working with us.

Mr. Cooke: Mr. Speaker, I am sure the Treasurer has read the Premier's statement made at the first ministers' conference where he said, "During the past year, we as provincial premiers have shared a common frustration with the lack of leadership demonstrated by our federal government."

This cabinet has been sitting for four months to make a decision to come in with this kind of plan that includes no job creation whatsoever. Does the government not understand that if jobs are to be put in place for those hundreds of thousands of Ontarians who will be unemployed this winter, they have to be created now to provide those jobs for the winter?

Where in blazes is the leadership in Ontario? Is this government not just as irresponsible as the Prime Minister of the Liberal government in Ottawa?

Hon. F. S. Miller: Mr. Speaker, the answer to that is obviously no.

Mr. Peterson: How much money is being saved by the public treasury by virtue of the

restraint program that has been introduced today? What is the government going to do with that money? How many jobs can be created with it?

Hon. F. S. Miller: It is interesting that the Leader of the Opposition should ask that. What we are doing is limiting the spending of all levels of government. What am I going to do with it? Consistently, the opposition tells me I have too big a deficit. Do they want me to spend more?

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Premier. Does not even the Premier see the double standard and hypocrisy of his so-called restraint program which applies to 52,300 unionized, direct government employees who have a total wage package of \$1.1 billion? Compare that with the 15,000 medical doctors who will directly receive \$1.5 billion from the provincial government in 1982-83. Can the Premier explain why he has hit ruthlessly at the one sector of public employees, yet the bill is silent when it comes to the doctors' settlement?

3 p.m.

Hon. Mr. Davis: With respect, as one reflects on the bill and after having read speculation, I think for the honourable member to say that we are dealing ruthlessly with public sector employees in this province just will not stand the light of day. I know he likes the rhetoric, I know he likes to inflame people—he has tried for several weeks with limited success—but to say that this government is dealing ruthlessly with the public sector in this province is totally unfair, inaccurate and does a great disservice in terms of what we are attempting to do.

I just will not accept that terminology.

Mr. Laughren: Answer the question.

Hon. Mr. Davis: That is fine. The members of the New Democratic Party always feel they can say what they want to say but when I reply they get up in high dudgeon. They do not like it. They do not like it when we sort of take issue with what they say.

I will deal with the medical profession. There is a distinction, and I know the NDP would love to legislate all the doctors as public servants on a salary. That is the stated objective of the NDP. I understand that and that is where we differ. I just have not accepted that principle. Let Mr. Rae go out into York South one of these days fairly soon and say to everybody there, "We are going to legislate the doctors as public ser-

vants." Just see how far that will get him in that by-election.

I say to the honourable member that I recognize the sensitivity of the issue. They are not public servants in the sense of the word as described. They are public-spirited people, but they are self—

Interjection.

Hon. Mr. Davis: All right, listen. The honourable member can be as critical of the profession as he wants, but they happen to be self-employed professionals. He does not like it, but that happens to be the reality.

I have communicated with the head of the Ontario Medical Association. I have asked him and his colleagues to meet with the government to discuss this issue. I will say no more than that at this moment. I have no intention on a supplementary of hypothesizing or anything of that kind. I just say what I have done.

Mr. Speaker: Just before the supplementary, I would caution our visitors in the public galleries that they are not allowed to participate in any of the debate or otherwise demonstrate. Thank you very much.

Mr. Foulds: Surely the Premier can see that for all the fine words in his speech and all the fine words in the Treasurer's (Mr. F. S. Miller) speech about the integrity and the dedication of Ontario's public service, those are mere words. Why does he continue with the double standard when he rigorously, definitively and arbitrarily, without previous discussion and consultation, imposes a wage settlement and a abrogation of collective bargaining rights on one group of employees who receive money from the public treasury, and yet he goes begging, cap in hand, to the medical profession on a voluntary basis? Surely even the Premier sees the double standard and the hypocrisy there.

Hon. Mr. Davis: Mr. Speaker, it really is "an" abrogation, not "a" abrogation. I say to the honourable member—

Mr. Foulds: I was the English teacher.

Hon. Mr. Davis: If he was the English teacher, I would take a look at his certificate tomorrow.

Hon. Miss Stephenson: No. I shall.

Hon. Mr. Davis: The Minister of Education says she will.

I understand the sensitivity of the issue. The member does not have to tell me; I know. But I also suggest, with respect, it was not done without consultation. Sure, not in terms of the specifics, but I had it made abundantly clear to

me by both the private sector unions and the public sector unions that they were not in support of a restraint program. I knew that. That did not come as a surprise at all. So he should not suggest that we did not ask them and that I knew what the answer would be.

While I know the member has some difficulty in making a distinction, this government has sensitivity to the fact that the medical people in this province, apart from the interns and so on who are on a full-time basis at some of the hospitals, in spite of the member's desires, are still self-employed professionals. For many of them, there is no question as to where their income comes from. That is not debatable. We know it.

He may rest assured that I am not going cap in hand to the profession. I have invited them to come in for discussions. For the time being, that will have to be all I can tell him.

Mr. Conway: Mr. Speaker, surely the Premier will agree that the success or failure of this restraint program will turn on the perception of equity and fairness that the broad community will feel.

How does the Premier expect the community at large to accept this as a fair and equitable restraint program, and how does he expect it to work, when the society's highest-income group, which has the self-employed professional status the Premier talks about but which also negotiates with the provincial government and which I think this year draws down \$1.2 billion from the public treasury, is specifically exempted from its provisions?

Hon. Mr. Davis: Mr. Speaker, I assume the honourable member is asking a question in the context of what would be the position of the Liberal Party, and I respect that. I am not sure his leader has formulated that policy yet, but I say this very respectfully to the member: They are self-employed professionals. We agree on that definition; I understand that. At least that is what I heard him say. I understand the sensitivity of the issue.

I am saying to the member that I have asked the head of the Ontario Medical Association and whoever he brings with him to meet with the government to discuss this issue. I can say no more than that at this moment. They happen to be in Saskatoon at the moment. I expect those discussions will take place next week.

Mr. McClellan: Mr. Speaker, this question is purely to elicit information to refresh my memory.

Can the Premier confirm whether the agree-

ment with the medical profession which was reached earlier this year included 11 per cent plus three per cent catch-up for 1982-83, 8.75 per cent plus three per cent catch-up for 1983-84, and a base of seven per cent plus three per cent catch-up for 1984-85, raising the average doctor's income after expenses from \$80,300 per year in June 1982 to \$122,000 by the end of 1985, for a 52 per cent increase over this period of time at a cost of between \$750 million and \$1 billion? Is that the agreement the Premier is proposing to exempt from his wage control program?

Hon. Mr. Davis: Mr. Speaker, in that the honourable member was quite obviously reading the figures somebody had already given him or he had made a note of at the time of the discussions, I would say he really asked a question to which he already knew the answer.

Mr. McClellan: I want them verified.

Hon. Mr. Davis: I saw him reading them all.

Mr. Foulds: Mr. Speaker, that is a question to which the Premier has no answer. I would like to put another question to the Premier.

Can the Premier explain why there are firm controls on wages to grader operators for the Ministry of Transportation and Communications, to nurses, to teachers, to municipal employees and to foresters? Can he explain why there are firm controls on those people and why, as we read the bill, there are only flexible guidelines on government-administered prices, for example, home heating prices and hydro costs?

Publicly administered prices have risen at twice the rate prices have risen in other sectors, and profits have increased dramatically in that sector. Can he especially explain that sort of difference for us?

Hon. Mr. Davis: Mr. Speaker, I thought the honourable member, as the one-time financial critic for that party, would have some understanding of that without asking the question.

Mr. Foulds: My memory is bad today.

Hon. Mr. Davis: I understand the member's memory is bad. I will just make this observation.

One can take two or three commodities where existing agreements between, say, the government at Ottawa and the government of Alberta and the government of Saskatchewan—which latter agreement incidentally was executed by the New Democratic Party Premier of the day—made it possible for certain price increases to be granted in Saskatchewan and Alberta which have been exempted from the federal program. Any increases in the cost of

home heating oil, gas, etc., are costs that have arisen as a result of the wellhead price increase that has been set by those agreements.

Surely the member knew the answer to that. If he does not recall it, I suggest that he give Allan a call and he will refresh his memory.

3:10 p.m.

Mr. Foulds: Surely even the Premier, with his facility for saying nothing with a lot of words, would like to explain to the House and to the province in clear, dramatic words that leave no room for double interpretation. Surely the Premier would like to do that at least once in his career as the leader of the government of this province.

Can he explain why he and his ministers have introduced an if-but-maybe price control guideline when he could institute, as he has the authority to do, a freeze on Consumers' Gas, Ontario Hydro, home heating and gasoline retail prices in this province?

Hon. Mr. Davis: I could reply in kind but, when the member asks a question that he understands and can explain properly, I will give him an answer he will understand. I will try to rephrase it for him. Is he the Energy critic as well? I will try to explain it to him. Look at the federal program. The federal program—

Mr. Foulds: Let's look at the provincial program.

Hon. Mr. Davis: Listen, be a bit patient. I will try to be as definitive as I can. The federal program specifically exempted "energy" so that when, under the existing federal-provincial government agreements, the wellhead price for natural gas or oil or what have you goes up, there is no way that we as a province can control the price of that commodity.

What we are saying on the administrative price side is that to the extent that controllable costs of those agencies or those companies applying to our agencies can be reduced by the wage constraint package, then the rate increases will be impacted in the same way. In other words, some input costs that are beyond this government's control have to be taken into account. There is, quite frankly, no other alternative. We do not control the wellhead price of oil and gas. It is as simple as that.

Mr. T. P. Reid: Mr. Speaker, the Premier knows well, because the Treasurer just recently increased the gasoline tax, for instance, by putting it on an ad valorem basis, that the government is living off the avails of inflation as surely as anyone else. Is the Premier, with all

this good spirit he is trying to exhibit, therefore prepared to tell the Treasurer to go back to the old modus operandi of taxation of gas and oil, to do away with the ad valorem and simply to set a seven per cent tax on a pre-set figure so that it does not go up every time the wellhead figure goes up?

Hon. Mr. Davis: With great respect to the honourable member, he oversimplifies it. The answer to that quite obviously is no. But I do point out to him that, in terms of what this program will accomplish, it does, to the extent of any wage increase, reduce the potential in terms of the rate increase. It is as simple as that.

I say to the member—because I know he communicated with his brother and said, "You should not exempt energy"; I know he vigorously raised this with his brother, knowing full well he did not—the energy source in the western provinces has not been impacted by the federal program. We do not control that.

Mr. Swart: Mr. Speaker, the Premier will know that by his document tabled today, Ontario Government Wage Restraints and Administered Prices Program, price increases that are above the guidelines may end up at the cabinet, but not necessarily. They may just take the extra increase and, on the recommendation of this committee, cabinet may disallow a proposed increase in whole or in part or delay the effective date of an increase.

Does the Premier recall that members of this party appealed the Consumers' Gas award, made last February, which allowed a 32 per cent increase in home heating costs and enabled Consumers' Gas to increase its profits this year, by its own estimate, by 20 per cent? Just five days ago cabinet confirmed that increase of 32 per cent. How does the Premier expect anybody in this province to believe his cabinet will take a single step to stop any of his corporate friends from price-gouging the people of this province?

Hon. Mr. Davis: Mr. Speaker, I had difficulty hearing the final part of the honourable member's question. I would only point out to him—

Interjection.

Hon. Mr. Davis: Sure, he can quarrel with the administrative price side of it. I would be very surprised, because there are "a limited number of situations." If the member feels the cabinet has not dealt with it, if for some reason we have ignored it or the board has ignored it, there is no question that somebody in this House will bring it to our attention.

I can only say to the member, we are develop-

ing a system that we think is workable, practical and, from the standpoint of the administrative price side, will achieve those results.

I gave the House one example today.

Mr. Swart: I gave this one. They had a 20 per cent increase in profits.

Hon. Mr. Davis: I say to the member for Welland-Thorold that part of the Consumers' Gas rate increase reflects the wellhead price increase.

Mr. Swart: Of course, that is not what I am talking about.

Hon. Mr. Davis: Sure, it does, and some other price increases reflect the price of crude oil. One of the reasons for the price of crude oil going up is a grievance between the former government of Saskatchewan and the government of Canada. I did not hear the member bleating in the House about what his former colleagues in Saskatchewan did with respect to those agreements. I did not hear him say a word.

ONTARIO MUNICIPAL BOARD APPOINTMENT

Mr. Roy: Mr. Speaker, I have a question to the Attorney General. It has to do with the front-page story in the Toronto Star dealing with the mayor of Kitchener and his appointment to the Ontario Municipal Board.

All of us have heard stories about defeated Tory candidates, and we all have our suspicions. I would like to ask the Attorney General, as chief law officer for the crown, what he thinks of this sorry spectacle of the chief magistrate of a major city of Ontario writing a letter to the Premier of Ontario (Mr. Davis), on the letterhead of that municipality, bargaining with the Premier about becoming a provincial court judge because he had been a Conservative candidate in the last provincial election.

Does the Attorney General, as chief law officer for the crown, not believe that he should intervene and first of all state that such a spectacle reduces the credibility of the administration of justice? Does the Attorney General not feel that he should be tabling with the House all correspondence from his office and the Premier's office dealing with this situation and possibly appoint an independent inquiry, preferably led by a county or Supreme Court judge who would look into the alleged conduct of Mr. Hoskinson, and maybe the conduct of Mr. Goodman and Mr. Rosenberg, and finally the conduct of the Premier, to determine whether

there has been a possible breach of the provisions of the Criminal Code of Canada?

Hon. Mr. McMurtry: Mr. Speaker, the letter that was written was obviously, to put it mildly, a very foolish letter. I want to assure the honourable member that at no time was there any communication, either by letter or verbally, between the Premier and myself with respect to the appointment of Mr. Rosenberg to the provincial court bench. That just happens to be a fact. There just has been no communication whatsoever.

Mr. Roy: I would not like the Attorney General to think that he can slough off the situation, because in my opinion if he does, he is undermining the credibility of the administration of justice. The fact remains that serious allegations have been made, some of which have been denied. Someone is lying someplace. That is the first problem.

3:20 p.m.

Second, will the Attorney General look at the fact that he wrote a letter some time in June 1982 and he ended up on the OMB in September 1982? What is the relationship in that situation? Does the Attorney General feel that, given the present situation, Mr. Rosenberg should continue dispensing justice from the Ontario Municipal Board when he did not want the job to start with? He wanted to be a judge. Does he like his present job?

I also want to ask the Attorney General whether such an individual, who has been called a liar by people even in the Premier's office and by Tories back in Kitchener, is a proper candidate to be dispensing justice from the Ontario Municipal Board?

Hon. Mr. McMurtry: I have nothing to add to my first response.

Mr. Renwick: Mr. Speaker, perhaps the Attorney General will advise the House whether Mr. Goodman and he have had any discussions about a possible appointment of Mr. Rosenberg to the provincial court of Ontario.

Hon. Mr. McMurtry: Mr. Speaker, I can tell the honourable member that in any correspondence I have had from anybody, the answer was the same: simply that as far as I was concerned, there were no vacancies for which Mr. Rosenberg could be considered.

Mr. Van Horne: Mr. Speaker, on a point of order: I think it is important while we are on this topic to point out something my leader said. I think he indicated that the only evidence of the

Conservative government's job creation program was the appointment of Mr. Rosenberg.

Mr. Speaker: Order.

Mr. Van Horne: The record should show that the defeated candidate from London North—

Mr. Speaker: Order.

Interjections.

Mr. Speaker: Order.

Mr. Sargent: On a point of order, Mr. Speaker: I always thought that when we had a question, the member asking the question had a supplementary, then it went down there for a supplementary and it came back here for a supplementary. You disallowed that. Why? This is an important matter.

Mr. Speaker: If you will just resume your seat, I will tell you why. All members are allowed an original question, all members are allowed a supplementary, and then either the opposition or government side may ask the final supplementary. This is the procedure that was followed, and that will continue to be followed.

FALCONBRIDGE EXEMPTIONS

Mr. Laughren: Mr. Speaker, I have a question for the Treasurer concerning the community that is enjoying Canada's highest unemployment rate—caused, I might add, not by the salaries of civil servants in the Sudbury district but by layoffs and shutdowns of both Inco and Falconbridge. Since that has happened, the Treasurer and his government have done absolutely nothing substantive to ease the problem there.

Will the Treasurer cancel the processing exemptions under section 113 of the Mining Act currently being enjoyed by Falconbridge, which allow them to ship their ores to Norway for refining there? Further, will he cancel the tax break he brought in a couple of years ago which allows Falconbridge to write off its costs of refining in Norway against its Ontario operations, which costs us jobs and tax revenues here in Ontario?

Hon. F. S. Miller: Mr. Speaker, first, I do not accept the statement made by my colleague that the refining at the Kristiansand plant in Norway costs jobs in Canada.

Mr. Martel: Of course it does.

Hon. F. S. Miller: It does not. The fact is that for every job there, there are about six or seven jobs at the Canadian end; and, in fact, certain types of electrolytic refining are required there. That is something I had a good deal of time to

look at when I was Minister of Natural Resources. Each time, however, we are guided by the advice from our colleague. We do not have a monopoly on the nickel markets of the world any more. I am sure my colleague knows that. There was a time when we did have; we no longer have.

Mr. Laughren: The only more ridiculous answer than that was the answer of the federal Minister of State (Mines) that it was the Russians who were causing our problems.

Mr. Speaker: Question, please.

Mr. Laughren: Since Inco obviously has excess refining capacity in the Sudbury basin, will the Treasurer direct Inco and Falconbridge to strike an agreement to have Falconbridge's refining done at the Inco refinery pending completion of its own refining operation in Sudbury?

Hon. F. S. Miller: Mr. Speaker, that is a question I would rather see directed to my colleague the Minister of Natural Resources (Mr. Pope) when he is here, since he would be up to date. I am at least four years out of date with the exact details.

Mr. Martel: I want to say to the Treasurer that his colleague would be out of date with his resource policy.

Mr. Speaker, since the reduction of SO₂ emissions is important to the health of people in Ontario and to the health of the economy, will the Treasurer direct that pollution abatement measures be taken to reduce emissions, create jobs and utilize the Cargill township phosphate deposits to manufacture fertilizer in the Sudbury area?

Second, since we still do not produce mining equipment in the Sudbury area, is his government prepared to go it alone with respect to the production of mining equipment since the federal government obviously is backing out of its commitment to provide funding for the establishment of Clark in Sudbury?

Hon. F. S. Miller: Mr. Speaker, I have visited the Cargill township site of phosphate rock. I understand they are hoping to use Kidd Creek sulphuric acid for that. I do not know that it matters what source we get the sulphuric acid from, whether it is Kidd Creek or Sudbury. The fact is that there is a potential, we believe, for the utilization not only of a rock but also of a product that is in excess supply and is imported from the United States. It all makes good sense.

I understand that my colleague the Minister of Natural Resources is following that. As

chairman of the Board of Industrial Leadership and Development, I had some interest in seeing that this was done. I still have. Market conditions and analyses of the rock were going on. It is not a large deposit. I am sure the member knows that. The fact is that it is a 20-year deposit, I think, at the present tonnage, and it would be very useful.

That does not happen just because of government, but we are doing what we can to help. That is all I can say.

BUDGET FIGURES

Mr. T. P. Reid: Mr. Speaker, I, too, have a question of the Treasurer. In view of the fact that his budget of May 1982 is now out of date and that we are faced with three particularly serious problems in terms of job creation—there are 224,000 more unemployed at this time in August this year than there were last year, there are 174,000 fewer people employed in Ontario at this time than there were last year and all his projections in his May budget being incorrect—will he tell the House what he gave to Mr. Lalonde in terms of a list of items he wished to see in a national program?

Second, what can he tell the House and the municipalities in terms of transfer payments, welfare assistance and general operating grants that he is now going to follow in view of the fact that his budget projections are incorrect?

Hon. F. S. Miller: Mr. Speaker, the assumption that all budget projections are incorrect is not accurate. As a matter of fact, revenues have dropped somewhat but not perhaps as precipitously as the honourable member may have assumed from own-source revenues. We have had some cuts that are fair, that are retroactive in terms of federal transfers to Ontario apart from those that were unfairly removed through the established programs financing readjustments.

Some years we win in those retroactive adjustments and some years we lose. This is a year where we happen to have lost, at least to date. I keep hoping there may be some further adjustments upwards, and there may even be some signs that there will be.

Where we have the biggest concern, of course, is on the question of unemployment. Unemployment, I believe, is very much a function of confidence in the economy and interest rates. There still is a relatively high level of saving.

We are beginning to see a couple of the programs that we put in place in the budget take hold. We believe that the home owners' grant is starting to create more sales of new houses than

were visible in the first few months. We are appreciative of the federal grant of \$3,000, because we understand it too is stimulating the used market as well as the new market.

We have put that \$171 million to work for job creation within government sector programs. We have the \$250 million flowing back into small business.

Although they are hard to find, there are some signs that we are past the worst. I have been warned that all the key indicators will stay bad for a while, even though we believe we are seeing signs of a pickup in the economy. Most important of all is that, psychologically and in fact, the steps we have taken today will help lower interest rates.

3:30 p.m.

Mr. T. P. Reid: I heard Mr. Mackness, I believe, at the Conservative convention tell us a number of things but the fact remains that unemployment is worse than it was. It is going to be worse over the winter. The Treasurer knows that. The Treasurer knows his revenues are down \$364 million, from whatever source. He knows that a lot of the municipalities are in trouble because of the higher welfare case load they are carrying. He knows it is going to be a long, cold winter and he knows his revenues are falling.

Is it not time, in view of all this, that he were working on a mini-budget and that he be prepared to bring a mini-budget in very shortly during the fall session to do something about the severe unemployment problem we are going to have over the winter? Is it not also necessary to spell out in some detail what the municipalities and other people who get transfer payments from the province are going to get under this restraint program so they can amend their budgets as well?

Hon. F. S. Miller: On the latter part, we will of course be advising municipalities once the allocation process is complete. But let me point out that because of the varying times of anniversary dates in contracts at the municipal level and at the educational level, calculating the immediate savings to municipalities and school boards on an individual basis is not an easy task.

There will be those boards of education whose teachers, for example, have signed a contract for the next year at whatever per cent. I think it is 12 per cent in Peel. That will carry on until September 1 of next year. Others will not have signed by today and they will be subject to an upper limit of less than 10 per cent. Some

municipal employees will be renewing contracts before long and will be subject to five per cent. Obviously, calculation of those individual transfers this year will be complex.

On the question of works, the member asked me earlier what I gave Mr. Lalonde. I did not give him anything in that first visit. The first visit was, most important, to talk to each other, establish contact and prepare for future discussions. What I did ask him was to review the things Ontario placed on the table in writing at the first ministers' meeting. I did not have to go over them again. They are there. Nearly all of them are as appropriate today as they were in February when the Premier (Mr. Davis) delivered them to Mr. Trudeau.

We said: "While we can do something at the provincial level, we can do a lot more at the national level. We are prepared to work with you. Let us not play games. Let us try to solve the problems." We are waiting for that response in the hope it will be accepted.

Mr. Cooke: Mr. Speaker, in the May budget of this government the Treasurer stated and I quote, "While the last few months have been very difficult, there is now a strong potential for the economy to follow a recovery path throughout the rest of the year."

He goes on to say: "Because of these factors and action, the Ontario economy should strengthen during the balance of the year. Employment year-end should reach 125,000 over current levels. Real growth in GPP in the second half of 1982 should be four per cent on an annual basis."

On the basis of this budget which is only a few months old, I would like to ask the Treasurer, since his predictions were so inaccurate and so out of touch with the economic reality of this province, is it not proper for him today to tender his resignation as the Treasurer of this province?

Hon. F. S. Miller: No, Mr. Speaker.

WELFARE PAYMENTS

Mr. R. F. Johnston: Mr. Speaker, my question is to the Minister of Community and Social Services.

Today's statement by the Premier (Mr. Davis) has a lot of high-falutin words, including the first paragraph which says that today represents a crucial opportunity for the Legislature of Ontario to address those issues of vital concern to the health of all its citizens. Because there is no mention of the poor, who have certain concerns, and because there are certain issues which are of vital concern to them—including

those who are single seniors, single mothers, people on general welfare, the disabled—and since the minister stated on September 9 when he was asked when he would increase welfare payments, "I will do it when I want to do it, okay?" did the minister not want to do it now?

Did he not feel this was an appropriate time to tell the poor that they were of some worth in the economic plans of this province, or does he have no influence when it comes to economic plans in the province and no influence on the Treasurer (Mr. F. S. Miller) or on the Premier when they make major economic pronouncements?

Hon. Mr. Drea: Mr. Speaker, in all fairness, I did not think that member would get up today. Today is not the kind of day to get publicity. We already have enough on our plates. Indeed, his little publicity stunt has been going downhill since the day he announced it and agreed with me that it was a publicity stunt.

I do not really think I have to tell this Legislature what economic impact I have in the cabinet. I think it is well known.

Mr. R. F. Johnston: Also on page 1 of the statement it says this provincial government has created opportunities for the disadvantaged to advance. Would the minister not agree that since he has been minister the only advances the poor in the province have had are for them to advance to the Scott Mission for food, which used to be covered under income maintenance, and for them to advance from apartments which they cannot afford, from rooming houses which they cannot afford, down to hostels and the floors of churches in this city?

What levels will the minister be recommending for these people? Does he expect them to exist on five per cent? How long should these people have to wait for social justice when for many months now people have been clamouring for him to act?

Hon. Mr. Drea: That is a remarkable speech from a social dilettante; from a man who travels around with his cold pack so he can carry his stew when the cold pack is far more than any poor person in the province could afford.

Mr. Mackenzie: You are pretty sick, you know, Frank.

Hon. Mr. Drea: No. I am very well. It is also the same member who just a few moments ago mouthed "double standard." In his little performance in the welfare world, has there been a double standard? Every time the little man gets

a little bit hungry it is time for another New Democratic Party caucus so he can eat.

The member has really been going downhill. He and his pals on the Social Planning Council of Metropolitan Toronto tried it out with yet another review of our social assistance rates. He must have died on that radio program when they admitted that what I said was right, that they cooked the books. I could hear the deep breathing. They got caught with their pants down on that one and with their rates. But not only that, they now want to use my statistician. The affirmative action program for under-achieving lefties now wants to use the government's statistician.

I do not want to waste all my good lines today. I defer to the Premier and the Treasurer. It is their day.

Mr. Cooke: Very funny, Mr. Premier.

Hon. Mr. Drea: Are you at it again? What is your problem? The last time I saw the member for Windsor-Riverside he was asking me to take it easy on him because I liked him. Now he is starting it again.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Drea: We will have a nice, quiet fall together.

3:40 p.m.

One of the proposals that was put up—at least I read about it and I presume all the things he says in the media are true—

Interjections.

Mr. Speaker: Never mind the interjections.

Hon. Mr. Drea: One of the proposals the member was suggesting in terms of social assistance was for increases of between 36 and 60 per cent. I would suggest that anybody who is talking in those ranges today is talking in terms of around \$800 million, which just happens to be the entire transfer payment amount to all the municipalities of this province by my friend and colleague the Minister of Municipal Affairs and Housing (Mr. Bennett).

I would suggest that we are reviewing the social assistance rates as a government with a great deal of sensitivity and sympathy. We are reviewing them in the light of a new class of person coming on to those rolls because he or she is running out of unemployment insurance and literally has no job or very little potential for any future credits.

Mr. Mackenzie: Could you not see that months ago?

Hon. Mr. Drea: I could see it about as much the member's party did in Ottawa when it was cheering certain things.

Interjections.

Hon. Mr. Drea: What was that?

Mr. Speaker: Never mind. Answer the question, please.

Hon. Mr. Drea: We are reviewing it in the light of the restraint program. When we come to a decision, we will certainly bring it forward to the House.

Mr. Conway: Mr. Speaker, surely it is of genuine concern to the minister that recent data seem to confirm that Ontario has among the worst levels of social assistance across the country. There may be a dispute and a debate about that, but certainly we do not rank among the best.

Notwithstanding the fact that the minister does not want to exhaust all his best lines and is saving his Mad Dog Vachon act for another day, can the minister help us specifically with when it is he intends to conclude the review, in view of the fact that we face a very difficult fall and winter, and in these areas the provincial government does have a very significant constitutional responsibility?

When does he intend to let the people in this province know when that review is going to be concluded? Accepting that he does not agree with the member for Scarborough West's proposal, what specific guidelines and new levels is the minister going to entertain and when will we all know about them?

Hon. Mr. Drea: Mr. Speaker, with the exception of a rather derogatory remark, that was a very fair question. Members will recall that last year—

Interjections.

Hon. Mr. Drea: While he was the critic he never asked me a question. Maybe when you get liberated you do a few things.

A year ago we discarded the old policy of universal rate increases. A year ago—this may be of some assistance to the fading memory of the member for Scarborough West—we ended the double standard for the permanently unemployable. We took them up to the top rate in two steps. We have brought in widows. We have expanded, particularly in the disabled field. A significant amount of our additional expenses has gone to those who are on fixed incomes and whose chances of improving their lot, regardless

of what inflation and the economy were, was somewhat slim.

The question we are looking at now, and I notice that the member did not raise it, is the question of the ability of municipalities with a tremendously increasing case load—and we have to be realistic because I do not think the federal government can decree that unemployment insurance extensions will be the final cushion for the recession; there are tremendously increased case loads, plus the double-header of a rate increase to general welfare assistance recipients. That is a matter that has to be looked at with a considerable amount of sensitivity. I would think from the member's own riding, he would understand what I am talking about.

We will be reviewing it and we will make a decision before the winter.

GOVERNMENT JET

Mr. Bradley: I have a question for the Premier. I would like to begin by congratulating him on the announcement he made on page 16 of his presentation to the House this afternoon.

Having gone through the escapade of ordering a new Challenger jet, having sent it to Texas to have it refurbished and converted into an air ambulance—it is a pity it could not be converted to a water bomber—and now having to cancel the order and give an undertaking to order two water bombers, could the Premier tell the House what the cost will be to the taxpayers of Ontario for this escapade on the part of his government?

Hon. Mr. Davis: Mr. Speaker, I will be delighted to get the exact figures. The discussions have been going on for some weeks with Canadair. I think I am right in saying that the value of the two water bombers in total will be comparable to the credit note or whatever, which will be in excess of what we were to have paid Canadair for the Challenger.

Mr. Bradley: Having denied himself, his cabinet ministers and senior government officials this efficient and comfortable mode of travel, would the Premier be prepared to give an undertaking to this House that he is not going to take any new initiatives in the foreseeable future to provide the same kind of travel mode for his friends, himself and senior government officials?

Hon. Mr. Davis: I am not sure what the honourable member meant. I deal with realities. I would just point out to him that in terms of transportation or other facilities, ministers of

the crown in this government—and I say this advisedly—have shown a more significant measure of restraint than his federal friends. I really believe that.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: With great respect, it is the member's problem. His leader says it is their biggest problem.

Interjections.

Mr. Speaker: Order. The member for St. Catharines will please contain himself and we will hear the answer from the Premier.

Mr. Wildman: Mr. Speaker, in getting the figures for us, could the Premier check into whether or not there was compensation paid to the company as a result of cancellation of the original agreement? If so, what exactly was there in compensation besides the commitment for the purchase of two other planes?

Hon. Mr. Davis: I sense the member for St. Catharines basically asked that question. When the details are finalized, I will be delighted to share all the information. As it relates to the cost of the Challenger itself, it may turn out that, to the extent the government ever makes a profit, there was a modest return on investment.

ANTI-INFLATION MONITORING

Mr. Swart: Mr. Speaker, I wonder if the Minister of Consumer and Commercial Relations would give us some details about the monitoring program of the so-called anti-inflation board. Specifically, recognizing the tremendous increase taking place this year in automobile insurance rates—some 20 to 30 per cent, which is going to cost the people of this province some \$200 million more in insurance—will his government give the anti-inflation board the power, as it has constitutionally, to roll back excessive increases in rates?

3:50 p.m.

Hon. Mr. Elgie: Mr. Speaker, so the member has a clear understanding of exactly what is in the bill, there are two elements to the role this minister will be playing. The first is with respect to a cabinet committee overseeing, where the minister in charge deems it necessary, contentious or disputed increases in prices that come within the control of that particular ministry.

The second area, and I think this is probably the one he is referring to, is the area where the anti-inflation board has been given the task of monitoring wage and price behaviour in the

private sector and reporting to me from time to time as we may direct. Obviously, we have not had meetings with that board yet to establish any time for those reports, nor indeed have I made any decision yet as to what comments I may make and when I may comment upon those reports, but that information will be forthcoming.

I am a little disturbed the member threw in the issue of automobile insurance because I know his position is that everything should be in the public sector, but I hope he is open and honest enough to agree that the competitive forces in this province have given us extremely low automobile rates. I know he likes to talk about a recent rate he is concerned about without looking at the facts.

Since 1977, premium rates on average have gone up only seven per cent in this province while the payout on claims has gone up over 52 per cent. I know he can do miracles but I have to tell my friend that someone has to pay for those losses, and in spite of all that, this province still has competition in place which provides us with rates that are as good as anywhere in this country.

PETITIONS

HOSPITAL FUNDING

Mr. Hennessy: Mr. Speaker, this petition is for the Minister of Health (Mr. Grossman). It is from the residents of the city of Thunder Bay.

"We the undersigned, as concerned citizens of Thunder Bay and the surrounding region, demand an immediate resolution of the funding crisis that our hospitals face. This erosion of health care must stop now."

This is from McKellar General Hospital, St. Joseph's General Hospital and the General Hospital of Port Arthur.

ONTARIO MUNICIPAL BOARD APPOINTMENT

Mr. McClellan: Mr. Speaker, I have a petition which reads:

"Pursuant to standing order 33(b), we the undersigned petition to refer the most recent annual report of the Attorney General to the standing committee on administration of justice for consideration of the circumstances surrounding the appointment of Mr. Morley Rosenberg to the Ontario Municipal Board, together with the allegations contained in an article and letter published in the Toronto Star, September 21, 1982."

This is signed by 21 members of the Legisla-

tive Assembly who happen to be members of the New Democratic Party caucus.

Mr. Speaker: I have had the opportunity of examining the petition and find that it meets the requirements of the standing orders. The annual report therefore stands referred to the standing committee on administration of justice.

MOTION

Hon. Mr. Wells moved that the standing committee on resources development be authorized to sit tomorrow afternoon, Wednesday, September 22, 1982.

Motion agreed to.

INTRODUCTION OF BILLS

INFLATION RESTRAINT ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, first reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

4:30 p.m.

The House divided on Hon. F. S. Miller's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Boudria, Bradley, Brandt, Breithaupt, Conway, Cousens, Cunningham, Cureatz, Davis, Dean, Drea, Eakins, Eaton, Edighoffer, Elgie, Elston, Epp, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Haggerty, Harris, Havrot, Henderson, Hennessy, Johnson, J. M., Jones, Kells, Kerr, Kerrio, Kolyn, Lane, Leluk;

MacQuarrie, Mancini, McCaffrey, McCague, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, F. S., Miller, G. I., Mitchell, Newman, Norton, Peterson, Piché, Pollock, Ramsay, Reed, J. A., Reid, T. P., Riddell, Robinson, Rotenberg, Roy, Runciman, Ruprecht, Ruston;

Sargent, Scrivener, Sheppard, Shymko, Snow, Spensieri, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye, Yakabuski.

Nays

Allen, Breaugh, Bryden, Cassidy, Charlton, Cooke, Di Santo, Foulds, Grande, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel,

McClellan, Philip, Renwick, Samis, Stokes, Swart, Wildman.

Ayes 95; nays 21.

ANTI-INFLATION AGREEMENT ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, first reading of Bill 180, An Act to authorize the entering into of an Agreement with the Government of Canada with regard to an Anti-Inflation Program.

The House divided on Hon. F. S. Miller's motion, which was agreed to on the same vote.

Hon. Mr. Wells: Mr. Speaker, with the consent of the House, I would like to revert to motions.

Mr. Speaker: Do we have the consent of the House to revert to motions?

Agreed to.

MOTION

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on social development be authorized to sit Wednesday morning, September 22,

1982, to consider Bill 138, An Act respecting the Protection of the Health of the Public.

Motion agreed to.

Mr. Roy: On a point of order, Mr. Speaker: I do not recall that in the statements made by either the Treasurer or the Premier there was any statement on whether these two bills had received a legal opinion from the Attorney General (Mr. McMurtry) that they are constitutional. You will recall that the last time we got involved in this our record before the Supreme Court of Canada was not very good; so I would just like to know whether there is a legal opinion that both these pieces of legislation are constitutional.

Hon. Mr. Wells: Mr. Speaker, before moving the adjournment of the House, it is our intention to proceed with second reading of the first bill on Thursday. The exact order of business for Thursday has not been worked out; the House leaders are meeting tomorrow to consider that point. But I can assure the House that I think we will be beginning debate some time on Thursday on this first bill.

The House adjourned at 4:41 p.m.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*

(124 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC**Speaker: Hon. John M. Turner****Clerk of the House: Roderick Lewis, QC**

Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
Ashe, Hon. G. L., Minister of Revenue (Durham West PC)
Baetz, Hon. R. C., Minister of Tourism and Recreation (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)
Bernier, Hon. L., Minister of Northern Affairs (Kenora PC)
Birch, Hon. M., Provincial Secretary for Social Development (Scarborough East PC)
 Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breough, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Charlton, B. A. (Hamilton Mountain NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D., Deputy Chairman of Committees of the Whole House (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Cureatz, S. L., Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)
Davis, Hon. W. G., Premier (Brampton PC)
 Dean, G. H. (Wentworth PC)
 Di Santo, O. (Downsview NDP)
Drea, Hon. F., Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
Eaton, Hon. R. G., Minister without Portfolio (Middlesex PC)
 Edighoffer, H. A. (Perth L)
Elgie, Hon. R. G., Minister of Consumer and Commercial Relations (York East PC)
 Elston, M. J. (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Fish, S. A. (St. George PC)
 Foulds, J. F. (Port Arthur NDP)
 Gillies, P. A. (Brantford PC)
 Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C., Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S., Minister of Health (St. Andrew-St. Patrick PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

Havrot, E. M. (Timiskaming PC)
Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
 Hennessy, M. (Fort William PC)
 Hodgson, W. (York North PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
 Jones, T. (Mississauga North PC)
 Kells, M. C. (Humber PC)
 Kennedy, R. D. (Mississauga South PC)
 Kerr, G. A. (Burlington South PC)
 Kerrio, V. G. (Niagara Falls L)
 Kolyn, A. (Lakeshore PC)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
Leluk, Hon. N. G., Minister of Correctional Services (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 MacQuarrie, R. W. (Carleton East PC)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
McCaffrey, Hon. R. B., Minister of Citizenship and Culture (Armourdale PC)
McCague, Hon. G. R., Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McEwen, J. E. (Frontenac-Addington L)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
McMurtry, Hon. R. R., Attorney General (Eglinton PC)
 McNeil, R. K. (Elgin PC)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
 O'Neil, H. P. (Quinte L)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Piché, R. L. (Cochrane North PC)
 Pollock, J. (Hastings-Peterborough PC)
Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)
Ramsay, Hon. R. H., Minister of Labour (Sault Ste. Marie PC)
 Reed, J. A. (Halton-Burlington L)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
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ERRATA

No.	Page	Column	Line	Should Read
99	3591	2	31	Culture, seven; Ministry of Northern Affairs, eight; Ministry of Intergovernmental Affairs, six; Ministry of Tourism and Recreation, seven.

Please delete last line of page 3591, beginning "Bruce."

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No.	Page	Column	Line	Should read
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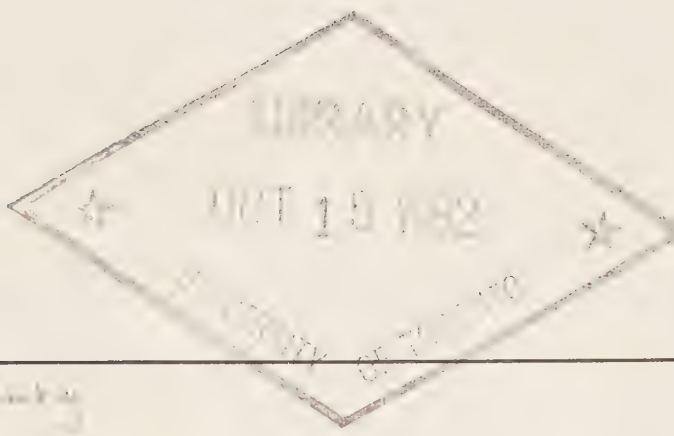
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Cooke, D. S. (Windsor-Riverside NDP)
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Van Horne, R. G. (London North L)
Wells, Hon. T. L., Minister of Intergovernmental Affairs (Scarborough North PC)
Wildman, B. (Algoma NDP)



Ontario



No. 101

Legislature of Ontario Debates

Official Report (Hansard)

Second Session, Thirty-Second Parliament

Thursday, September 23, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, September 23, 1982

The House met at 2 p.m.

Prayers.

HANSARD

Mr. Riddell: Mr. Speaker, on a point of privilege: As I was glancing through the September 13 edition of *Background*, a government publication which I am sure you read, I came across an article entitled "Hansard Report Must Make Sense of MPP Speeches."

Peter Brannan, chief of Hansard and editor of debates for the Legislature, a person who comes under your jurisdiction, was commenting on the operations of Hansard. He said:

"Whether given to eloquence or just inane interjections, Ontario politicians simply have to open their mouths to achieve a slice of immortality. Every unctuous uttering, pious pronouncement and wicked witticism expressed in the Legislature or a standing committee becomes a permanent part of the Hansard record of parliamentary debates."

He went on, "But sometimes the grammar has to be cleaned up, metaphors unmixed and infinitives rejoined before the debates are put to print."

He explained a little more about the operations of Hansard and then he said—and this is the thing that offends me and the people I represent, Mr. Speaker—that most members are "fairly lucid these days. . . The majority are all well educated. They're businessmen, lawyers, teachers and accountants. We haven't got too many farmers left."

Mr. Speaker, I think it is incumbent upon you to inform Peter Brannan that the farmers are not the uneducated, the illiterate, the inarticulate sector of society he believes them to be. I also think you should inform him that there are quite a number of farmers in this august assembly and that we hope there will continue to be a great number of farmers in this assembly. I tell you, Mr. Speaker, from the standpoint of business, when the farmers made up a larger majority of this assembly than they do now, the province did not run a deficit of \$2.5 billion.

Mr. Speaker: Thank you very much. Contrary to your assumption, I have not seen that

particular article and I am not familiar with whatever it is. However, I will be pleased to speak to Mr. Brannan. I would suggest that his remark perhaps was not made the way you have chosen to interpret it. However, I will be very pleased to do that.

Mr. Peterson: On a point of privilege, Mr. Speaker: I think the point that my colleague makes is a serious one—

Mr. Speaker: Yes it is.

Mr. Peterson: --and I think you should investigate it and report back to this House. If I may—

Mr. Speaker: Order. If I may, the point of privilege has been raised.

Mr. Peterson: On the point of privilege: There is another aspect here if you will hear me out.

Mr. Speaker: All right. I will listen to the—

Mr. Peterson: If you will be seated, I will be happy to proceed. You do not understand that Mr. Brannan said in his remarks that businessmen presumably are reasonably articulate in this House. But I refer you to Hansard of September 21, 1982, page 3614, quoting the Treasurer (Mr. F. S. Miller). Referring at that point to the new federal Minister of Finance, the Treasurer says: "He has been my counterpart for three years in hell. I think I understand him." Perhaps there is a misprint, Mr. Speaker, and on the other hand it may very well be totally accurate. You may want to check into that.

Mr. Speaker: Thank you very much. As I said before, I will speak to the people involved and draw it to their attention.

CHAIRMAN'S RULING

Mr. Laughren: Mr. Speaker, I have what I think is a point of order, but you may wish to regard it as a point of privilege.

Yesterday in the standing committee on resources development, which has been holding hearings on the Weiler report on workers' compensation as well as on the Ontario government's white paper and a proposed legislative change, I believe the committee chairman, the member for Nipissing (Mr. Harris), ruled that a

motion to make an interim report to the Legislature was out of order. I do not believe there is any standing order on which he based his ruling.

I ask your guidance as to what committee members can do when the committees are dominated by members of the government party, who can simply rule a motion out of order rather than debate the motion itself and the substance of the motion. If they defeat that motion, based on their own views, that is one matter. But I ask whether you agree with me that ruling it out of order is not the proper way to dispose of a legitimate motion in committee.

Mr. Speaker: Quite clearly, it is the prerogative and the responsibility of the chairman of any committee to rule as he or she may see fit, and the committee is bound by that ruling.

2:10 p.m.

Mr. Martel: On the point of order, Mr. Speaker: I understand what you are saying, but I do not believe you can simply use a majority to bring in a ruling that is contrary to the standing rules and use your majority to support it. Surely the chairman has to make a ruling on a motion on the basis of what the standing orders are and not on what is in his mind or what he would like them to be.

A committee is an extension of the House. If you want to debate the motion and defeat it, that is fine; those are the realities of March 19, as I have heard people over on the government side of the House say. But simply to make a ruling that is arbitrary and comes from nowhere and to use the majority to enforce it is wrong, and I ask that you advise chairmen that they cannot make rulings that are totally contrary to the rules.

That is what is at stake, not the realities of March 19 or the fact that they have a majority. Let the issue be debated and if they want to defeat it, that is fine; that is the way the place runs. But you do not make arbitrary rulings that are contrary to the rules and then use the majority to substantiate or support the chairman.

Hon. Mr. Wells: Mr. Speaker, on this point of order or point of privilege: I think all members of this House will agree that it is the prerogative or the duty of the chairman to so rule on motions put before him in a committee.

Mr. Martel: If they are out of order, yes.

Hon. Mr. Wells: I submit to the member for Sudbury East that one of the things a chairman has to do is to decide whether a motion is in order or out of order. There are times in any proceedings or in any body, in this House or in

its committees, when a motion is obviously not in order.

My understanding is that a motion was made in the midst of the committee process where they were having hearings on the Weiler report and so forth. The committee was listening to briefs and studying them, and out of the blue a motion was made to suggest that some action should be taken by this government. There is probably a proper time in that committee for that motion to be made, but I submit that the chairman was in order in deciding whether the motion was in order or not in order. It is also the prerogative of the members of the committee to challenge his ruling, and they did so.

Mr. McClellan: Which standing order are you referring to?

Hon. Mr. Wells: This is not covered by standing orders; it is covered by the general proceedings of any chairman. Anybody who has read anything about parliamentary procedure knows there is a time for a motion to be in order and a time for it not to be in order. You cannot just stand up in the middle of any proceedings and make motions.

No one is disputing that at some time in that committee, after the members have listened to all the briefs and have made their study, it may be that as part of the recommendations they will want to make the kind of motion that was put forward. But I submit that yesterday was not the time and that the chairman was acting properly.

Mr. Speaker: Order. This is developing into a debate, and I have taken the member's point of order into consideration. I advise all honourable members that any ruling of a chairman of any committee can be challenged by the committee; and I would add, if I may, that unless there is a report before the House there is really nothing I can do.

Mr. Laughren: Mr. Speaker, it was an interim report that we were recommending.

Second, standing order 1(b) states: "In all contingencies not provided for in the standing orders the question shall be decided by the Speaker or chairman, and in making his ruling the Speaker or chairman shall base his decision on the usages and precedents of the Legislature and parliamentary tradition."

I ask whether you will see if you can find the precedents and usages of the Legislature and Parliament on which the chairman could possibly have based his ruling. That would be most helpful.

Mr. Speaker: I was not at the hearing; I have no idea what went on. But I can tell you that the chairmen of the committees do have the responsibility of making rulings.

Mr. Martel: It is in the rules; they do not make up the rules.

Mr. Speaker: With all respect, there are a lot of things that are not covered by the rules.

Mr. Martel: But surely you don't rewrite the rules at the whim of the chair, Mr. Speaker.

Mr. Speaker: Order. I am not suggesting that. I am telling you quite clearly, and this will be the end of it, that if you are not satisfied with the rulings by any chairman, that ruling can be challenged.

Mr. Renwick: That is not satisfactory.

Mr. Speaker: Order. We are not going to debate it.

Mr. Martel: Well, Mr. Speaker—

Mr. Speaker: No, with all respect—

Mr. Martel: Well, you had better tell your chairmen.

Mr. Speaker: Order. Please resume your seat.

WELFARE PAYMENTS

Mr. R. F. Johnston: Mr. Speaker, on a point of privilege: I would like to correct the record if I might. On Tuesday, the Minister of Community and Social Services (Mr. Drea) said, amongst other things, that I was "a man who travels around with his cold pack so he can carry his stew when the cold pack is far more than any poor person in the province could afford."

He has given the impression that it is a very expensive cold pack. This is the offending article, which sells in Canadian Tire stores for \$2.09 plus the regressive sales tax. He is therefore not trying to indicate that this is a very expensive thing but, rather, is admitting that the people who are on welfare in this province should not have \$2.09 for capital expenditures of this nature.

Mr. Speaker: Order. Interesting as that may be, it is not a point of privilege.

ORAL QUESTIONS

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer who indicated in the press, and I assume he was properly quoted, that there were going to be some savings as a result of his wage restraint package.

The Treasurer indicated, as I understand it, that there would be a \$120-million saving for

every percentage point in public sector salaries, that there would be savings of \$50 million to \$80 million for the municipalities as a result and that the total savings would be something in the order of \$840 million over a period of time.

His director of fiscal planning policy of Treasury stated to our researcher that the amount that would be saved as a result of his restraint program was in the order of \$420 million.

My question is this: how much will be saved over original budget projections, and what is he going to do with that money?

Hon. F. S. Miller: Mr. Speaker, one has to assume before making a calculation what one would expect the average increase of salaries—

Mr. Peterson: Well you may have; they are your calculations, not mine.

Hon. F. S. Miller: I am answering the question—what the average rate of increase might have been in an unconstrained year. If averages had been between 10 per cent and 13 or 14 per cent for contracts, then one could easily assume that it would be 12 per cent. The guideline is five per cent. If the saving for every percentage point is \$120 million and there is a seven per cent potential saving, seven times 12 is \$840 million.

Mr. Peterson: The Treasurer did not answer the (b) part of my first question. What is he going to do with the money?

Hon. F. S. Miller: The Leader of the Opposition reminds me daily that I have a deficit. I would reduce it.

Mr. Peterson: Why is it that the Premier (Mr. Davis) takes a different view of some of these situations? In one of his utterances the other day he said that "constraints cannot be used to deny our domestic responsibility to make our best efforts to provide for immediate economic recovery and to create the framework for economic growth. . ."

He also said: "It is Ontario's view that sustaining and creating employment should continue to be this nation's highest priority."

Why is the Treasurer not using some of those moneys to create jobs here and now in Ontario, or is his strategy only to blame the federal government?

Hon. F. S. Miller: The leader is dealing with the hypothetical. Of course we are prepared to be doing more. We said it required at least some federal and provincial co-operation on a national economic recovery program. Of course we already have done some.

All I can say is, no matter what efforts we take

with job stimulation, there will have been less money spent on the other side.

2:20 p.m.

Mr. Cooke: Mr. Speaker, why did the Treasurer not reveal to the Legislature, as part of his presentation on Tuesday, an up-to-date projection of what the deficit will be for this government at the end of the fiscal year, what he projects the expenditures will be for this government in this fiscal year and what he projects for employment creation, having stated in his May budget that there would be 125,000 jobs by the end of this year?

Why were those very important aspects of the budget for this province not presented to the Legislature? Further, why in the lockup did his officials tell us they could not project what effect his program would have on inflation in this province and they could not give us any kind of figure of what effect it would have on his deficit? What kind of economic recovery program is that?

Hon. F. S. Miller: Mr. Speaker, the honourable critic implies that up-to-date knowledge is not made available on the state of the provincial budget as the year rolls by. I point out to him that Ontario pioneered quarterly reports. There is a June 30 report and there will soon be a September 30 report. We are one of the few provinces that have a habit of showing what happens to our economic plan as the year goes by, and we intend to keep on doing that.

Obviously we have had indications that the income side has not been maintaining our projection. There are also pressures on the spending side; for example, the sudden frost that caused millions of dollars of damage to the tobacco crop, and an estimated \$75 million of crop insurance; increases in demand for general welfare assistance at the municipal level where we share in those costs, and pressures within the health system. Those are part and parcel of every year.

As the papers have pointed out this week, and I hope the member has read them, we have done an extraordinarily fine job in Ontario of fiscal management. We are going to keep on doing that. We have an economic recovery program that is doing more than most.

For example, we are well past the 5,000 mark on the applications for the new home owners' grant. Between 45,000 and 50,000 people sent in for applications and between 5,100 and 5,200 returned them. We are seeing a takeoff in sales. There are three man-years of jobs in every

house built and bought in this province; they spread right back into all the ridings of the province.

I can also assure members that the programs we have for highway construction and municipal works have been subscribed. In fact, we checked just the other day to see whether the jobs had been created as predicted, and they have been.

Mr. Peterson: Has it ever occurred to the Treasurer that the amount of money he presumably will be saving in this program, in the range of \$840 million, or whatever the calculation he uses, is roughly equivalent to the price the government paid for an oil company plus what it contributed afterwards to an exploration company that will bring no jobs or no exploration in Ontario?

If he adds those capital expenditures plus the interest accumulated thereon since the date of the purchase, it is very close to the kind of figures he is talking about in terms of savings. Therefore, one could argue quite forcefully that he is asking the public servants to pay through a restraint program for an oil company that is netting nothing here in Ontario.

The Treasurer has called this an emergency situation, he has called this an emergency session, he has said jobs are a top priority in this province; so why has he not got one program that creates one job for our discussion here in this Legislature?

Hon. F. S. Miller: I pointed out that I put about \$500 million back into the economy over and above the normal budget this year just for that purpose.

Let me suggest that the member go out and ask the small businessmen of this province who are getting back the \$250 million of tax we are not collecting. Those people not only are being helped to survive but also are keeping people at work. The few who are still able or willing to invest in new expansion are doing so. That is catching on.

The member should ask the man in the street whether he likes or dislikes our program. He will find out that we are heavily supported by the average citizen in this province.

Mr. Peterson: These same small businessmen you talk about used to be big businessmen. That is the tragedy.

MUNICIPAL TRANSFER PAYMENTS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Hous-

ing. The minister is aware that the municipalities are suffering some difficulties now as a result of the last budget, with the new changes in the Ontario health insurance plan regulations and fees, and changes in the Retail Sales Tax Act. These are an added burden because a lot of budgets were already set. He is also aware, of course, of the swelling municipal welfare rolls, which are putting more pressure on municipalities.

I ask the minister what his program will be in terms of transfers to the municipalities and whether he can assure this House and the municipalities that they will not be limited to five per cent, as has been suggested.

Hon. Mr. Bennett: Mr. Speaker, I had the opportunity back in the last part of August to speak with the Association of Municipalities of Ontario.

Mr. Bradley: Were you well received?

Hon. Mr. Bennett: Yes, very well received. I have to tell the member, I was better received than he might imagine from his point of view.

At that time, I said to AMO very clearly and distinctly that over the years this government has made sure that municipalities have been supported and defended in their financial requirements to run the system. I said it would be wrong for me at a time of constraint in the province, with the reduced revenues the Treasurer has spoken about this afternoon and on previous occasions, to lead municipalities to believe that we were going to be able to continue to increase grants—I am talking of actual dollars—by percentages equal to what we have been able to do in the past years.

I said very clearly that I wanted to give them advance notice for preparation of their budgets—and they have asked for this kind of information—that I anticipated there would be little or no increase in the grants from the province. I indicated clearly that the number of dollars given to them a year ago would continue to flow to them but that if there were any increase, it would be very marginal.

Mr. Peterson: Is the minister aware that AMO calculates, as a result of the last budget, that the minister has effectively reduced municipal transfers by some 30 per cent after mill rates have been struck and that, in fact, there is a diminution? Is the minister also aware that if he does not increase the transfers by five per cent or more, he is going to see a major cut in services at the municipal level or increased property taxes? Is that the minister's strategy? Does he want to see increased property taxes way beyond the

five per cent limit he is trying to impose across this province?

Hon. Mr. Bennett: I am very intrigued by the figures the Leader of the Opposition has thrown out this afternoon about a 30 per cent reduction as a result of the actions of my friend and colleague the Treasurer (Mr. F. S. Miller) in the last budget. I realize what the sales tax means to most municipalities, and it is a long way from an impact of 30 per cent reduction in the grant position of municipalities in this province. The leader of the second party might like to go back and review the situation.

I understand there have been some increases in costs, and the Premier and I are going to meet with AMO this afternoon at four o'clock to review with them the bill that was presented to this House on Tuesday.

I am sure some of the areas that the Leader of the Opposition has covered in his question this afternoon and that have been covered on numerous occasions since the budget back in May will come up again for review. But I have said very clearly to the municipalities: "Here is the situation we find ourselves in."

I am sure there is not a member sitting in this House who will not have some appreciation for the fact that municipalities have certain programs they can very well eliminate without reducing the important safety and protection services to the people of their community. Those they are obligated to deliver under the Municipal Act they will continue to perform, I believe, to the maximum of their ability. But some of the other things, they can very well eliminate in a constraint period.

I am inviting municipalities to look over their budgets, as this government and the federal government must do in a constraint period. When the economy is not as buoyant as it was, then I think one has to try to tailor one's budget accordingly to the amount of money coming from municipal taxes, transfer payments and the provincial government.

Let me add only one other thing for the benefit of the leader of the second party. I suggest very strongly that municipalities are going to look carefully at where they are going in the coming year in relation to property taxes. I want to make it very clear to this House that a great number of municipalities have had some improvement in their assessment position through new construction and new opportunities. Those will allow the municipalities to offset, at least to

some degree, the inflationary factors they are encountering.

2:30 p.m.

Mr. Breaugh: Mr. Speaker, I wonder if the minister would give us his assurance this afternoon that he will be prepared, at the very least, to honour commitments that have been made in rather vague ways previously that the increased costs to municipalities and school boards that were incurred by the Treasurer's latest budget, such as sales tax, OHIP premiums and a few licence fees, usually amounting to between one to two per cent of their total budget, will not have to be absorbed by the municipalities, and that his next round of grants will take those into account so those costs will not be an added burden to the property tax base?

The Treasurer said in committee that he would be prepared to consider this, and I know that on other occasions the minister has talked about it. Would he give us the simple commitment this afternoon that he will absorb that cost, at least?

Hon. Mr. Bennett: Mr. Speaker, I give the assurance to this House that this government will continue to treat its municipalities in a very fair and honourable way in respect of what their costs of operation happen to be. It will be taken into consideration at the time of computing the grants to the municipalities.

Mr. Epp: Mr. Speaker, the cost of the 1982 Ontario budget provisions to the borough of York, which has a population of about 131,000, is over \$500,000. Despite the fact that York borough has the highest mill rate in Metro, and despite the fact that council is now trying to decide which cuts are going to have to be made, would the minister indicate to this House exactly what kind of assistance he is providing to the borough of York? Second, if some cost-cutting has to be done, which services would he suggest to the borough should be cut out?

Hon. Mr. Bennett: Mr. Speaker, the borough of York, like the city of Ottawa, Metropolitan Toronto and other jurisdictions in this province, will be dealt with on a fair and even basis. I do not intend to take York or any other municipality and try to set a formula or a policy just for it. We have established a policy across this province for resource equalization, the general per capita grant and so on for municipalities, and we are not going to start to alter it for each municipality.

As to the last question asked, I might say to the member very clearly, and I am making it

very distinct here as I did to the Association of Municipalities of Ontario: I do not intend, as the minister reporting for municipal affairs, to start to set the priorities for each municipality. That is what officials are elected to do in their particular boroughs or municipalities, and I trust they will honour, respect and understand the capacity of their municipalities to afford certain programs. They will set the priorities. I trust they will be right in respect of today's constraint period in the economics of Ontario and Canada.

VISITOR

Mr. Speaker: Before proceeding with question period I would ask the indulgence of the House, if I may, to introduce an honoured visitor in the members' east gallery. We are pleased to have today, honoured indeed, His Excellency T. J. Arcand, newly appointed Canadian ambassador to Hungary, who was very recently Canadian ambassador to Lebanon, Syria and Jordan, where he provided exemplary service on behalf of Canada and Canadians during the recent conflict in southern Lebanon. I would ask members of this House to join with me in welcoming Mr. Arcand.

The member for Port Arthur.

Mr. Foulds: Mr. Speaker, I might just say there is courage and there is courage, and the ambassador certainly has displayed that in the last few months.

OHIP PREMIUMS

Mr. Foulds: I have a question of the Treasurer. Can he confirm that, in spite of the so-called "price restraint" side of the government program, which was announced the day before yesterday, and in spite of his announcement that government fees would be restricted to an increase of five per cent, OHIP fees will increase by 17 per cent on October 1? How does he explain this inconsistency?

Hon. F. S. Miller: Mr. Speaker, that was a change that was made on May 13.

Mr. R. F. Johnston: What about the contracts that were signed?

Mr. Speaker: Order.

Mr. Foulds: Would the Treasurer not admit that his answer is inadequate, if not hypocritical, when he is rolling back wage increases, when he is engaging in an application of "restraint" on fees that this government receives that only amount to one third of the revenue of the total fees that it gets?

Will the Treasurer not admit that restraint by this government on fee increases is laughable when the OHIP fees total two thirds of the total fees received by this government as opposed to the one third of the fees in vehicle registrations, Liquor Licence Board of Ontario fees and other fees and licences that he is restraining? In other words, he is restraining something like \$692 million as opposed to not restraining revenues of \$1,402 million.

Hon. F. S. Miller: My friend is too wise to play that game. He knows that the change was made in the budget, that it takes some three—

Mr. Foulds: It comes into effect on October 31.

Hon. F. S. Miller: Just sit still and be quiet. Interjections.

Hon. F. S. Miller: Never mind. I have Stuart Smith's picture all over the bottom floor of my building today telling us what a great guy he is and what he is doing in his new job.

Mr. Speaker, you know that the OHIP system works about three to four months in advance. People prepay their fees. The prepayments were made at that date. The change was on May 13. That is the date it took effect and it covered last year's changes. We honoured all contracts in effect on May 1.

Mr. T. P. Reid: Mr. Speaker, would the Treasurer not agree that part of the reason for the hefty increase in OHIP premiums is in fact the rather—certainly now in view of the events—generous offer or settlement with the doctors? Will he concede that?

Also, if there is any rollback or giveback by the doctors, will he consider doing something about the OHIP fees? And can he assure us that in October 1983, during his transition period, OHIP fees will not go up over five per cent in the year after this contract or this budget-setting time is over?

Hon. F. S. Miller: Mr. Speaker, the answer to the first part is no, it does not relate to any future contract changes; it related to the historical, past-year change. I am sure my colleague knows that OHIP fees raise roughly one fifth of the cost of the OHIP plan and that roughly one half of the cost of the OHIP plan is in fact just for hospitals. Something in the range of \$3.3 billion to \$3.5 billion is for hospitals. Something in the range of \$1.5 billion is for doctors. Those figures are rounded out. They are not necessarily accurate in the second point.

I would simply point out to him that obviously future increases in fees or rates, be they for

workers in hospitals or for physicians, are not reflected in the historic rate. I would also like to point out that my colleague in the other party has wanted us to charge more, at least, through a payroll tax.

Mr. McClellan: Mr. Speaker, the Treasurer has left me confused with his answer to the effect that OHIP premiums will not be rolled back, and on Tuesday he told us the OHIP fee schedule negotiated settlement is not covered under the wage control package.

My question to the Treasurer is, what then is the meaning in part II of the act when it defines "administered price" to include "a price, user charge or fee...permitted or authorized by a public regulatory agency..." and "public regulatory agency" is defined in subsection 26(d) as "any ministry, agency, board, commission..." of the government "which approves, establishes, regulates...user charges or fees to be charged for any product or service"?

2:40 p.m.

Surely, by definition OHIP is included in the administered price definition, and OHIP is included under the legislation. Simply put, my question is; what kind of game are they trying to play?

Hon. F. S. Miller: Mr. Speaker, we will be discussing the terms and conditions and parts of that act in full detail after second reading.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, is the Treasurer aware of the situation of Mr. Saleem Yacoub, who earns \$16,065 a year as a field worker with the Brant county welfare office? Is he aware that Mr. Yacoub's union has been without a contract since last April, and that if they had received a wage increase equal to the current cost of living increase, his wages would have gone up by \$1,700 from April 1982 to April 1983 and an additional \$1,850 in the second 12 months of his contract?

Is the Treasurer aware that the effect of his restraint program on Mr. Yacoub is that he will have his pay reduced by \$250 this year and by at least \$1,000 next year? Can he explain the justice and fairness of the impact of those reductions on a person like Mr. Yacoub?

Hon. F. S. Miller: Mr. Speaker, first, there are no reductions in pay, and the member knows it. That is terminology the member chose to use and he knows it is not true.

Hon. Mr. Davis: Try to play it straight for a change.

Hon. F. S. Miller: If Mr. Yacoub is in a salary range of \$16,000 a year, then the act permits—
Interjections.

Mr. Wildman: How much do you make, Frank?

Hon. F. S. Miller: I make as much as the member does, plus the amount for a minister. Those are the guys who always want more in the negotiations.

Interjections.

Mr. Martel: On a point of privilege, Mr. Speaker: My friend the minister makes the point that it is us who always negotiate more. May I suggest that the minister retract that statement in view of the fact that in the last pay raise, they attempted to slip through an increase in ministerial income, and we said no.

Interjections.

Mr. Speaker: Order. The member for Sudbury East will resume his seat, please.

Hon. F. S. Miller: I would like to indicate that we did not even get the six per cent they got as members, and they know that.

Mr. Speaker: Back to the main question, please.

Mr. Martel: Don't give me that nonsense.

Hon. F. S. Miller: That is absolutely true.

Mr. Speaker: You are debating a question—just ignore the interjections.

Hon. F. S. Miller: It is hard on the tonsils.

If this gentlemen earns under \$20,000 a year, the maximum amount he is permitted to have by the law is \$1,000 in the control year. He is also limited to a maximum—

Mr. Mackenzie: Maybe.

Hon. F. S. Miller: He may have, certainly, up to \$1,000. One of the great differences between our program and the federal program is that we have recognized people at the lower end of the income scale needed more; they did not. It is in our program; it is not in theirs.

Mr. Foulds: If the government is so concerned with people like Mr. Yacoub who are at the lower end of the income scale, why is it that the legislation says "may" instead of "shall"? Why is it that the employer solely and arbitrarily has the right to decide whether he will cough up the increase? That is what the legislation says.

Is the Treasurer saying to people like Mr. Yacoub: "You did not get it through negotiation in the last contract; you are not going to get a

cost of living increase because the maximum is nine per cent at the most and you are never going to get it"? He is saying to people like Mr. Yacoub: "You are not entitled to a redistribution of the income and the wealth of this province. You are not entitled to a settlement through negotiation."

How does he feel about taking approximately \$560 in income tax next year from Mr. Yacoub? Since he has taken \$250 out of his pocket by the so-called restraint program, how does he feel about putting what is in effect a 35.5 per cent surcharge on Mr. Yacoub's tax?

Hon. F. S. Miller: I do not expect everyone in the world to think we were totally fair, but I challenge the honourable member to walk the streets of Sudbury, since he knows them well, and ask that question of people who have no increase coming to them right now. He should walk the streets of Windsor or any of the cities where his people are alleged to represent the unemployed. Most people in Ontario, even those in our unions, believe we have been fair.

Mr. Bradley: Mr. Speaker, in his desire to make this as fair a piece of legislation as possible, is the Treasurer prepared to give consideration to people who are in circumstances such as—

Mr. Laughren: How did you vote on this? How did the Liberals vote?

Mr. Bradley: I hear an interjection.

Mr. Speaker: Never mind the interjections; just ask the question.

Mr. Bradley: I want to remind the member of what the NDP government of Saskatchewan did when it was in power. It removed the right to strike from its hospital workers.

Mr. Speaker: Order.

Interjections.

Mr. Bradley: My question is to the Treasurer. In regard to those people who are in circumstances such as the public health nurses in Niagara are in, whereby they have been on strike since the month of May and are attempting to reach the principle of parity with hospital nurses, is the Treasurer prepared to make special provision for people in those circumstances so they can gain what they feel is justice? It would be an injustice to slam them down midstream in their negotiations at the present time. Will the Treasurer give consideration to that?

Hon. F. S. Miller: Mr. Speaker, the right to strike has been present in the health units of the

province. A number have gone on strike over the years for that principle or for others as they saw fit. That is proper. I guess any strike is an action by two sides to see which has the most staying power, negotiating power or whatever to get its way. There is always a risk in that action, not only the risk of immediate loss of employment on the one side or of service on the other, but that one will not get enough in the final settlement to justify the losses it took.

Looking at all of that, we still said that, where contracts within the last year have expired and have not been resolved, whether they were on strike or are still at work waiting for a negotiated resolution, we would set an upper limit of nine per cent for the year in place. Lots of people have taken that gamble. Some have won and some have lost. In this case, these people probably lost some of it.

Mr. Foulds: In regard to the Treasurer's economic package introduced two days ago, I wonder if I could ask him how he feels about restraining incomes like that going to Mr. Yacoub and his family? Mr. Yacoub has three teenage daughters. His wife is unable to work because of a back injury. She is currently trying to get a Workmen's Compensation Board claim without a heck of a lot of success. He happens to have relatives in Lebanon and finds himself in a very stressful situation. How does the Treasurer think that restraining this family's income is going to create one job in Ontario? How does he feel that restraining this income is going to get the economy of Ontario moving again?

2:50 p.m.

Hon. F. S. Miller: That could take some time to answer, but, of course, we believe it will. I think the member has lost sight of the reason for the restraint package. It had nothing to do with the kinds of questions the Leader of the Opposition (Mr. Peterson) placed today about saving dollars in my budget.

It had to do with reducing inflation and making the dollars this gentleman takes home with him buy more products. It had to do with our borrowing less in the marketplace and seeing interest rates drop, as they did today. It had to do with restoring the confidence of people in cash, in the economy, in the future so that people will buy the products that the people out of work in St. Catharines and Windsor need. It had to do with all of those things, and it will succeed.

ONTARIO MUNICIPAL BOARD APPOINTMENT

Mr. Roy: Mr. Speaker, I have a question for

the Attorney General (Mr. McMurtry), but in his absence I shall ask the Premier, on a subject with which he is most familiar: that is, his correspondence with Mr. Rosenberg.

The response yesterday by the Attorney General was not a very adequate defence of the administration of justice. Given the serious allegations made by Mr. Rosenberg about certain colleagues of his at the Law Society of Upper Canada—for instance, Mr. Hoskinson and Mr. Goodman, fellow members of the bar—and given the serious allegations, apparently, against even the Premier's office about making certain promises related to being the candidate for the Conservative Party and a judgeship on the provincial bench; given that these allegations, according to the Premier, Mr. Goodman and Mr. Hoskinson, are apparently totally unfounded, that there is no basis for them, with the resulting conclusion that Mr. Rosenberg lied and did not tell the truth, how does that make him an adequate candidate to dispense justice on the Ontario Municipal Board?

How is it that such an individual, no matter what his qualifications are, given that he has made such serious allegations, makes it to the OMB as a result of the Premier's appointment?

Hon. Mr. Davis: Mr. Speaker, I think the Attorney General answered this question, actually not yesterday but on Tuesday. I should make very clear what has been said to the press, and I repeat it here again today: To my knowledge no such promise was made.

Mr. Roy: I must state again that the Premier has today compounded what I consider the failure of the Attorney General yesterday to defend adequately the administration of justice. He is evading the question.

Apparently, Mr. Rosenberg is having a press conference today at which he will deny the allegations he made in his letter and support what the Premier is saying, that he made no promise. Therefore, he made serious allegations that were unfounded. He lied.

Given that result and knowing that, how does the Premier then proceed to appoint an individual such as this to dispense justice for the Ontario Municipal Board?

Hon. Mr. Davis: Mr. Speaker, I have no knowledge of when the press conference was.

Mr. Roy: At 2:30 today.

Hon. Mr. Davis: I have no idea what Mr. Rosenberg is saying at whatever press conference is being held.

Mr. McClellan: Mr. Speaker, will the Premier give us an undertaking to permit the referral that was made of this matter to the justice committee to proceed, and to permit the justice committee to undertake full consideration of these matters?

Hon. Mr. Davis: Mr. Speaker, on occasion I hear members of the House saying that the government tries to interfere with the activity of what is referred to a committee. I think I heard the honourable member say the other day that he was asking to have it referred. Surely he does not want me to dictate?

Mr. Roy: Mr. Speaker, I have a point of order. I should advise you that, pursuant to the standing orders, I think you will even agree with me, the answers are totally inadequate and the matter will be raised at the adjournment.

Mr. Speaker: You have not told me why you are standing.

Mr. Roy: I told you I had a point of order, pursuant, I think, to section 27 of the standing orders.

Mr. Speaker: All right.

Mr. Roy: What I am saying is that, as you are an objective person, you will understand that the responses given yesterday and today by the Premier were totally inadequate. As a result of this, I am forced to raise the matter again at the adjournment of the House.

Interjections.

Mr. Speaker: Order.

The member for Downsview.

Mr. Di Santo: That is embarrassing for the government. I understand that.

Mr. Conway: Are there liars on the Ontario Municipal Board?

Mr. Speaker: Amusing as this may be, the member for Downsview has the floor.

Mr. Di Santo: Mr. Speaker, the Premier perhaps regrets having kept his only promise.

WORKMEN'S COMPENSATION

Mr. Di Santo: I have a question of the Minister of Labour. Can the minister tell the House if, at this time, he is willing to make a commitment to amend the Workmen's Compensation Act to increase the benefits of injured workers by 10.8 per cent, which is equivalent to the increase of the cost of living between July 1981 and July 1982, and to accept the recommendation we proposed to the committee yesterday that was rejected by the majority of his Tory colleagues?

Hon. Mr. Ramsay: Mr. Speaker, no one disagrees with the proposition that workmen's compensation benefits need to be periodically reviewed and revised. In fact, as honourable members know, periodical revisions have been made at irregular intervals for a number of years. For example, if one takes in the period 1975 to 1981, pensions were increased by some 88 per cent, which was virtually identical to the increase in the consumer price index over that same period.

With respect, it is incorrect to suggest there is any firm precedent for the timing of the revision. For example, over the seven-year period to which I have referred, three revisions occurred at intervals ranging from 1½ to three years. As members know, the last revisions became effective on July 1, 1981.

We are now engaged before the standing committee on resources development in a comprehensive review of the Weiler report and the White Paper on the Workers' Compensation Act. My understanding is that the committee intends to report its conclusions and recommendations before the end of the year. One of the issues before the committee relates to the methodology, timing and application of revisions to benefit levels.

Interim revisions would, in a sense, prejudice a fundamental issue now under consideration by the committee. If it appears that the committee's report or subsequent legislative action will be unduly delayed, it may be that interim revisions will be required. However, all indications are that the committee is on schedule and that we should soon be in a position to make final determinations.

Mr. Di Santo: I think that the minister is totally inaccurate starting from the figures he mentions. Since 1975, the consumer price index has gone up by 78.3 per cent while the pensions of injured workers have gone up by 55 per cent, as Professor Weiler writes in his report—if the minister has read the report.

3 p.m.

In view of the fact that it is totally phoney that the committee is proposing to the Legislature to review the level of the benefits, and in view of the fact that the minister knows Professor Weiler has not even written his final report, after three years and a large amount of money paid by the taxpayers of Ontario, and that in June the minister said the same thing—that he was not ready to make a commitment—can he tell the House why injured workers are the only

group in our society that is penalized by this government?

Hon. Mr. Ramsay: Mr. Speaker, with respect, the figures quoted by the honourable member are the figures that were quoted in a letter to several newspapers in this province by the leader of the New Democratic Party. I have had those figures studied and assessed and I do not agree with them.

Where the member is referring to a 55 per cent increase, let me state that in the period from 1975 to 1981 injured workers' pensions rose by 88 per cent, not 55 per cent, whereas for the same period the consumer price index went up by 88.2 per cent and the Ontario average industrial wage went up by 90.9 per cent.

Another factor that should be taken into consideration is that pensions for injured workers are tax free.

Mr. Wrye: Mr. Speaker, surely the minister will realize that a review of the past is really a red herring. Let me return to the original question. Since this House is now back in session and the committee, which was on schedule until last week, is now very much off schedule and may not be able to conclude its deliberations, does the minister not think it would be appropriate for him to take to the cabinet a recommendation for an immediate increase pending the committee's report and ministerial action, which probably will not take place until next year some time?

Does he not believe that this unseemly delay in increasing pension levels is probably the real reason that injured workers' groups that have come before the committee have urged us almost unanimously to reject the white paper's proposal to allow the cabinet to have control over reviews of benefit levels in the future?

Hon. Mr. Ramsay: Mr. Speaker, I would repeat what I said earlier: If it appears the committee's report or subsequent legislative action will be unduly delayed, it may be that interim revisions will be required.

JOB CREATION

Mr. Piché: Mr. Speaker, I have a question for the Minister of Natural Resources concerning an issue raised by the member for Sudbury East (Mr. Martel) in his question to the Treasurer (Mr. F. S. Miller) on Tuesday. The member inquired if measures would be taken to utilize the Cargill township phosphate deposits, located some 20 miles from Kapuskasing in the Cochrane district, to manufacture fertilizer in Sudbury.

Is the minister aware it would appear from this that the job creation strategy of the New Democratic Party is to create jobs in one area by destroying job opportunities in another? Will the minister take this opportunity to inform the House of his ministry's plans for the Cargill deposits, and to assure the House that his ministry will not pursue a resource policy which compromises a resource and the employment potential of any region of this province?

Will the minister say in no uncertain way that what has been suggested by the member for Sudbury East is not and will never be a policy of this government: to rob one region for the benefit of another?

Hon. Mr. Pope: He didn't really say that, did he? That is shocking. Is that why that party is in third place up there now? What is going on?

Mr. Speaker: Back to the question.

Hon. Mr. Pope: He should ask me. He has not had the nerve yet. Let him stand up and ask me. He did not show up at estimates. He did not have the nerve. Come on, stand up and ask me.

Mr. Speaker: Will the minister please address the question of the member for Cochrane North.

Hon. Mr. Pope: Let him show up tomorrow and engage me in questions and we will see how good he is. We will see how much he knows about the issue.

Mr. Speaker, I am shocked and amazed that the member for Sudbury East would make that kind of a suggestion. I know that resolutions of the Sudbury problems are required. I happen to agree with the member for Cochrane North that the way to go about economic recovery is not to process at other than source, and by that I am talking about the development of a fertilizer plant in Cargill township.

Mr. Martel: Where does the sulphur come from?

Hon. Mr. Pope: I am waiting for you; come on. I am waiting for you.

The way to do that is not to have a fertilizer plant in the Sudbury region because of the cost of transporting the phosphates to start with. There have already been discussions with Sherritt Gordon, and the member for Cochrane North is aware of them, and with the federal government and provincial government over the last years about the development of the phosphate deposit in Cargill township at source, to provide employment opportunities for the Kapuskasing area and to provide some economic diversification for Kapuskasing.

There have been meetings with the federal government.

Mr. Stokes: By using the sulphur from the Sudbury Basin—

Hon. Mr. Pope: What has the member done for it? What has he done except ask that it be taken away from Kapuskasing?

Mr. Speaker: Ignore the interjections please.

Hon. Mr. Pope: What has he done, other than ask to have it taken away from the district of Cochrane. That is his answer, "Take it away." That is always his answer.

Mr. Speaker: Order. Order. Will the minister please address the question. Never mind the interjections.

Hon. Mr. Pope: Can I go on for a little while? That has always been his policy, to take away from—

Mr. Speaker: Order. I am sure if we all listen attentively we will have an answer.

Hon. Mr. Pope: Mr. Speaker, we do not need more fertilizer in the Sudbury area from that member.

We are committed to developing this deposit in the district of Cochrane adjacent to Kapuskasing in the context of the demands of the company for this kind of a development and in the context of the work of the member for Cochrane North and the federal member to get a joint federal-provincial program going.

We have an industrial mineral program that we have made available to them and we are hopeful that this kind of development will take place using existing policies that have been introduced by the Board of Industrial Leadership and Development.

Mr. Martel: Mr. Speaker, I am absolutely delighted to hear the minister say that the government's policy is to utilize resources at the source. It being the case that they are going to process at the source, let me ask the minister when he is going to stop the shipment of nickel from Sudbury to Norway, when there has not been a pound of nickel refined from Falconbridge, for these 50 years?

Mr. Speaker: Order please. That really is not a supplementary.

Mr. Martel: I am coming to that. It is certainly supplementary. Let us not play games.

Mr. Speaker: Let us have a supplementary then, please.

Mr. Martel: I want to know where the sulphur that is going to be utilized is going to come from.

I want to know when the minister is going to stop the exportation of nickel from Inco to England and when this government is going to insist that all of the orders that are now outstanding, the exemptions, are going to be stopped so that the jobs that are created somewhere else will in fact occur in northern Ontario, not somewhere else for someone else's benefit.

3:10 p.m.

Hon. Mr. Pope: Mr. Speaker, there have been discussions already with respect to a number of sulphuric acid producers in the northern part of Ontario. Both Texasgulf and Inco—

Mr. Cassidy: Just discussions, nothing else.

Hon. Mr. Pope: The honourable member was up there in the last election. People had an opportunity to see what he would do to the resources: nationalize them. They told him what they thought of his policy on natural resources.

As the member is aware, sulphuric acid is being produced by both Texasgulf and the nickel producers in the Sudbury region. He is also aware that there is a market for some of that production. He is aware that the only reasonable alternative, which has been investigated and which is being worked on, is a pooling arrangement with respect to sulphuric acid, with deliveries both at the phosphate deposit source and a covering delivery system through the pooling arrangement to the other customers who are already on stream.

If the member thinks he is going to create more jobs in the Sudbury area by cutting off the export of nickel to Inco and Falconbridge refineries in Europe, he is wrong.

Interjections.

Mr. Speaker: Order. The minister has the floor.

Hon. Mr. Pope: We have had this debate before.

Mr. Peterson: We sure have.

Hon. Mr. Pope: Yes, we sure have. The issue is that there is export of nickel concentrate to the Inco and Falconbridge refineries in Europe. That is not the only source of their ore. The member is aware that Falconbridge, for instance, already obtains nickel concentrate from Botswana and also obtains nickel concentrates for refining from other sources, and could, using that refining facility in Europe.

Mr. Speaker, you are also aware that in order to gain access to the European community, which we vitally need for our resources, it is now

a requirement that there be processing facilities in that location. If the member is aware of the need for us to access the European—

Interjections.

Mr. Speaker: Order. The minister has the floor.

Hon. Mr. Pope: Mr. Speaker, our policy will create more jobs than their policy ever could in the Sudbury region.

ASSISTANCE TO FARMERS

Mr. Riddell: Mr. Speaker, if we can set the levity aside for a minute, I would like to direct a question to the Minister of Agriculture and Food.

Mr. Martel: Do you know what the word means?

Mr. R. F. Johnston: Levity is lightness.

Mr. Riddell: I am not as stupid as you are by a long shot, my friend.

Interjections.

Mr. Speaker: Order. Now to the question, please.

Mr. Riddell: I would like to ask the minister what thought he has given to the devastating economic conditions that prevail in the farming industry today. For example, corn is \$2.14 per bushel, down from \$4 last year; soybeans are \$5.78 a bushel, down from \$7.35 last year; rye is about \$2.30 a bushel, compared to \$4 last year; barley is \$2.02 per bushel, compared to \$2.70 last year; pork is predicted by agricultural economists to reach an extremely low price level by Easter, followed by beef—all of these far below the cost of production.

If the minister has given any thought to this, what programs is he planning now to prevent a large number of farm bankruptcies that we may see between now and spring of next year?

Hon. Mr. Timbrell: Mr. Speaker, I am very pleased the honourable member was able to get the floor today. He said he wanted to put aside the levity. I do not know what he calls that remark to the member for the third party. That seems to be the extreme.

An hon. member: And you are not going to be the judge.

Hon. Mr. Timbrell: I am certainly not about to judge which one is more inept than the other.

The member has outlined the difficulties with a number of commodities this year. I hope he is not necessarily accepting some of the predictions for the future. Certainly one cannot for a moment deny what has happened to certain

commodities at the present time, but I hope he is not adding his voice to make some of the predictions for the future more credible. That would not do the farmers any favour, I can assure him.

The member will know that in 1982 we put in place a rather extensive program called the Ontario farm adjustment assistance program, under which applications have been approved to date for close to 2,700 individual farmers who, I think the member would acknowledge, would otherwise have been in extremely serious difficulty, or perhaps might even themselves have added to the bankruptcy statistics, as has happened in other provinces.

The member will also know that, to try to avoid some of the wide swings in commodity prices and farm incomes, we have been pushing in every possible way the introduction of a new national income stabilization program to cover all agricultural commodities. He will also know, I am sure, that that proposal of this government is supported by the Ontario Federation of Agriculture, by the pork producers, by the cattlemen both provincially and nationally.

He will also know that on July 12 of this year in Halifax, I tabled a formal proposal to the ministers of agriculture of the provinces and of the Dominion for the establishment of a steering committee made up of deputy ministers, to put in place the details of such a program.

I am sure he also knows I was not able to get a commitment from the Minister of Agriculture of Canada in regard to that concept. He probably also knows that the Minister of Agriculture of Canada promised another meeting by the end of August.

Today is September 23 and we have not had that meeting. If the member wants to help—and I think he does; I am not questioning that for a moment—then next Tuesday when we are in Lucan with the Minister of Agriculture of Canada, he will take him aside and say: “Now look, the time for delay has long passed. Give these guys a definite answer. Get on with the job of developing a better stabilization program for all Canada.”

Mr. Speaker: The time for oral questions has expired.

Mr. Riddell: I cannot let him blame the federal government. What about his young farmers credit program, the one that was announced in the budget and in the throne speech? What about that? They blame the federal government—

Mr. Speaker: Order.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64, private members' public business not be considered today.

Motion agreed to.

COMMITTEE SITTINGS

Hon. Mr. Wells moved that, notwithstanding the order of Friday, March 12, 1982, no committee may sit concurrently with the House during the debate on second reading of Bills 179 and 180.

Motion agreed to.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on social development be authorized to sit the morning of Wednesday, September 29, 1982, to consider Bill 138, An Act respecting the Protection of the Health of the Public.

Motion agreed to.

3:20 p.m.

INTRODUCTION OF BILLS

PROTECTION OF RESIDENTIAL TENANTS ACT

Mr. Philip moved, seconded by Mr. Lupusella, first reading of Bill 181, An Act for the Protection of Residential Tenants.

Motion agreed to.

Mr. Philip: Mr. Speaker, this bill, which maintains the present six per cent ceiling on rent increases that can be made without approval of the Residential Tenancy Commission, further extends the protection of tenants by tying the total rent increase the commission can grant to the consumer price index between October 1, 1982, and October 1, 1983.

Small owner-occupied buildings would be exempt from the bill and the rent review commission could also grant increases above the index in those exceptional circumstances where to do otherwise would result in bankruptcy.

NOTICE OF DISSATISFACTION

Mr. Speaker: Pursuant to standing order 28, the member for Ottawa East (Mr. Roy) has given notice of his dissatisfaction with the answer to his question given by the Premier (Mr. Davis) concerning the appointment of Mr. Rosenberg to the Ontario Municipal Board. I would

advise all members this matter will be debated at 10:30 this evening.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

Hon. F. S. Miller moved second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Hon. F. S. Miller: Mr. Speaker, I am pleased to have the opportunity to lead off what I assume will be a brief debate on Bill 179.

On Tuesday, when the Premier (Mr. Davis) announced the anti-inflation program, he told the House that no decision taken by this government has received so much attention, so much discussion and so much genuine concern. I want to echo those words because I want the House to know that we are keenly aware of the gravity of this initiative.

On Tuesday, as I indicated in my statement, I said we were dealing with over 50 separate labour organizations and our actions impact on over 2,700 collective agreements. They will ultimately affect 500,000 or more employees. To appreciate this program fully, it is necessary to understand the economic environment in which it was conceived. In this afternoon's debate, I would like to focus on the reasons behind it and what we expect it to accomplish.

In the last short while we have seen corporate profits decline dramatically. In 1981, they went down about 10.5 per cent and in the first quarter of this year the decline in those profits has been an astonishing 50.1 per cent. Of equal concern to me is that wage rates and unemployment are going up at rates which exceed those in the United States. I believe that with this decline in labour competitiveness combined with high job losses, high unemployment and sharp profit declines, one can argue for restraint on a national basis.

We as a government have always hoped that the solution to this problem would come from the private sector voluntarily. We still do. The province is not comfortable with imposing solutions on the marketplace. In recent weeks, I think we have seen encouraging signs that this kind of solution is actually happening in the private sector. Both management and labour in that sector seem to be responding to the strong market pressures, and these pressures are not felt as strongly in the public sector.

We do not make profits. We do not have

shareholders to report to. A large number of our wage settlements are the result of binding arbitration and that is a process that is not really directly under our control. However, those facts in and of themselves do not necessarily justify wage controls. There is one fact I am going to give that does tip the balance.

In the last year, the Ontario public sector saw an employment increase of more than 15,000 people almost entirely in the education and health fields. During that same period, the private sector saw employment drop by 82,000 jobs. When policy makers are faced with that sort of situation, I think their duty is clear. We cannot permit unconstrained growth in the public sector when the private sector is undergoing its most serious crisis since the end of the Second World War.

The program we announced on Tuesday is a response to that situation. We want those in the private sector, be they management or labour, to know that the burden of the recession is not falling only on their shoulders. We can read public surveys that show people losing confidence in institutions at a very rapid rate. This affects not just governments but big business, big labour, universities—in short, the very groups that we believe are the cornerstones of our society.

Faced with that kind of situation, we felt it was our duty to take steps that would help restore confidence in the public sector. I can tell this House that from the response I have had in the past 48 hours, the actions we took on Tuesday have gone a long way towards fulfilling that goal.

Just yesterday, I had the chance to speak with citizens all across the province on radio shows and in other ways, and they were applauding the very actions we took. I would like to ask the members opposite, those who have criticized this program, to get on the phone to the unemployed workers in Windsor and ask them whether they really believe a public servant should have not only job security but also an inflation-related raise. Ask them if that is fair when half a million people are unemployed in Ontario.

I even go one step further. I believe that if we asked the average public servant in this province whether it is fair, that person would respond in the affirmative. In fact, I challenge any of us here to find any public servant who in this economic climate would be willing to trade his or her job, with its security, for that of an auto

worker in Windsor or a miner in Sudbury.

3:30 p.m.

Mr. R. F. Johnston: Why should they have to? What kind of straw man are you, trying to divide the workers against each other?

Am I stopping your flow? I am sorry.

Hon. F. S. Miller: The honourable member is not stopping my flow; he is making a fool of himself.

Mr. Speaker, I will be here to listen to each member as he stands up. I intend to sit here, as I usually do, listening to what members say and trying to assess it. I hope the rest of the House does. I only ask the same courtesy from the member.

The Deputy Speaker: I think that is fair. The Treasurer has the floor.

Interjections.

The Deputy Speaker: Come on. Let the Treasurer continue.

Hon. F. S. Miller: In my remarks Tuesday—
Interjections.

Hon. F. S. Miller: Mr. Speaker, I will resume when they are quiet.

Interjections.

The Deputy Speaker: If the Treasurer will be kind enough to attempt to continue, I will seriously monitor all the interjections.

Hon. F. S. Miller: In my remarks Tuesday I indicated that one of the main objectives of this program—

Mr. Laughren: Do you feel you have the protection you need now, Frank?

The Deputy Speaker: Come on, member for Nickel Belt.

Hon. F. S. Miller: At least I have had to have protection once in a while. That is something the member has never had to have, because he has never taken an action that required any courage.

Mr. T. P. Reid: Going to an NDP caucus takes a lot of courage.

Interjections.

The Deputy Speaker: Order. As all members well know, every member will have an opportunity to be heard. Interjections are allowed from time to time, but continual conversations such as those from the member for Nickel Belt (Mr. Laughren) and the member for Scarborough West (Mr. R. F. Johnston) are not allowed. I ask them to refrain slightly, please.

Hon. F. S. Miller: I want to spend a few minutes today highlighting why this is such a necessary objective of our program. About 50 per cent of government expenditures are wage-related, and in some areas, such as hospitals and schools, more than 70 per cent of spending goes for wages and salaries. In other words, if you want to restrain public sector spending, you really do have to constrain wages first.

The government does not stand to profit financially from these constraints. We are not saving money that we already have. Rather, we are preventing our borrowing from increasing quickly or unconstrainedly to the point where our ability to borrow that money would be impaired, as members know has been the case in quite a few jurisdictions.

I sometimes believe that members opposite do not understand that the high credit rating we already have is not just a status symbol; it is concrete evidence to investors that Ontario is a secure place to put their money. To the taxpayers of Ontario, I want to say it is a great saving in the cost of that money. We need more investors to have confidence in Ontario, because their confidence will translate into jobs, and that, of course, is this government's main priority.

At the International Monetary Fund meeting, I was told over and over again by investors from around the world, including Japan and West Germany, that they want to invest in Ontario because it is one of the places in the world where government spending seems to be well managed.

As the Premier indicated last Tuesday, we are prepared to join with Ottawa in any appropriate economic recovery program. We are also prepared to act on our own if that leadership is not forthcoming. However, such stimulative initiatives always have a cost attached. We must have fiscal flexibility if we are going to respond to those needs.

A year from now, I will judge whether this initiative was a success or if it helped to blunt inflation's rise. Too often when we devise solutions we expect them to have immediate and sweeping effects. In my own business career I have found that such solutions are rare. Instead, the decisions that tend to make a difference are the ones that yield small amounts of savings here and there. When you total those actions, they are the difference between a profit and a loss.

I believe our actions will help the fight against inflation in three ways: (1) public sector cost reductions passed through to the private sector

in the form of lower tax increases, user fees and charges for government services, (2) decreased government demands on the capital markets to ease pressure on interest rates and (3) the demonstration effect, signalling an era of lower wage settlements to the private sector.

Of all those effects, I think the third is the most important, because the problem this country faces today is as much a psychological problem as it is an economic problem. Canadians seem to have a set of inflationary expectations that are very hard to unlock. I do not pretend to know what the exact key to it is, but my job as Treasurer is to take this black art of economics, look at the theories, look at the perceptions of human behaviour and then meld them together into a policy.

For example, I look at our high saving rates. The fact is that we are not going to get this economy moving until people take their money out of savings certificates and start spending or investing, whether it be by buying stocks, homes, cars or whatever. Until we have restored that confidence to spend and to invest, we will not recover.

Therefore, the big task facing those of us in government is how to restore investor and consumer confidence. There is a two-pronged approach. First, investors have to know that this country is a stable haven for their money. That is why I think the triple-A rating is important. Second, consumers have to see evidence that wage settlements are moderating and that prices of goods and services are not rising at such a rapid rate. That is why this legislation is crucial.

In considering this bill, I ask the members of this House to remember the words of an American economist, Mr. Alfred Kahn, who said in discussing the fight against inflation:

"The problem in our economy is that we have these persistent, well-organized pressures by each individual and group to preserve his or her absolute position regardless of what happens to the country as a whole. What this does is create, on the part of everyone in society, the expectation that no matter what happens to the aggregate, each of us is individually entitled to CPI plus three per cent. What we have got is those constant forces to increase expenditures, to increase nominal incomes and to expand government programs. It is clearly something that has to do with a lack of social discipline."

In closing that quote, I would like to say that I believe a democracy can discipline itself. It can take actions that break our inflationary expect-

tations, restore confidence, and give unemployed workers new hope and new jobs. That is what this program does and that is why it deserves the support of every member in this House.

The Premier mentioned that there should be a second phase in Canada, not only to our program but also to the federal government's. I would like to share very briefly with the House our approach to that.

I met with the new Minister of Finance for Canada last week, and I have had similar contacts with my colleague from Quebec. I am confident that we can develop a co-ordinated approach to the problem of unemployment, and I hope I can report further details to the House as we conclude our negotiations with him in the coming months.

3:40 p.m.

The Deputy Speaker: The member for London Centre.

Mr. R. F. Johnston: "I rise to support this bill."

Mr. Peterson: Mr. Speaker, my friend is getting a mite sanctimonious these days.

Several weeks ago, my party put its economic recovery package before the people of this province. We proposed equitable restraints. We urged control on wages and prices. We set out an ambitious platform for recovery and for jobs. We pleaded with the government to get on with the urgent task of modernizing and revitalizing our industrial base. We called for the real and lasting solutions that this province so desperately needs.

Finally, on Tuesday, we had the government's response. After a gestation period of several months, they have delivered the five per cent solution to us all. What is regrettable is that it says it all. The program before us is only five per cent of the solution to the economic problems facing this province. It is only the first step, a small step towards recovery. It is a vital step, I agree, but only the first step.

There is nothing in this program that will take us the distance: nothing to create jobs, stimulate investment or promote economic renewal. There is nothing in this program to reverse the tremendous decline in Ontario's economic fortunes since the last provincial budget.

When my party introduced its alternative for restraint and renewal some time ago, I said we were eager to co-operate in the reconstruction process. We are not a party that puts its head in the sand or refuses to deal honestly with the

realities of the 1980s, employing the rhetoric of a century ago.

We are still eager to co-operate today, but a reconstruction process is just that; it takes time, it requires full public support and participation and it demands innovative thinking from government. The job of rebuilding Ontario cannot begin and end with the five per cent fiat on public sector salaries.

As I have said all along in this critical debate, we are not a party of obstruction. We are glad the Premier (Mr. Davis) and his Treasurer (Mr. F. S. Miller) at long last have made a decision, and we want to encourage them on this course. We will support the step taken and the measures the Treasurer and the Premier have put before the House. We have reservations, and I will discuss those today. We want to see a full and thorough debate on the many points of concern, but the Liberal Party will not block this bill.

What we will block, however, is an attempt to pawn off these initiatives as a recovery policy. They are nothing of the sort. If they are not followed up immediately with programs to create jobs, the five per cent solution will become nothing more than a cheap and superficial gimmick, a cruel joke upon thousands of Ontario people who have been plunged into confusion, helplessness and anger by the steadily deepening recession we are facing.

Ontario is headed for the worst winter in nearly 50 years. Every member of this House is profoundly aware of the crisis. Each has experienced a growing litany of human calamity that is unfolding daily in his or her constituency office. It is no time for partisan rhetoric or dogmatic diatribe. It is time for an honest effort by every legislator in this House. It is a time to grapple seriously with the gravest threat to Ontario we have known in decades. It is a time to put special interests aside in favour of the public interest, a time to abandon confrontation in a search for consensus. This is the tone my party would like to bring to this debate.

We will speak with urgency about the pursuit of jobs, because in our judgement the situation has never been more urgent. A real recovery plan is needed now; not a year from now, not three months from now, not after the last federal budget, not after the next provincial budget in the spring, but now. In fact, it should have been introduced at the very same time as the restraint program.

There is no excuse for the dithering and delay that have kept us away from this House for some three months. The step that the government has

taken is long overdue. It is a step that easily could have been taken within weeks or even days of the announcement of the federal program last June and, indeed, the announcements of other provincial programs across this country.

Uncertainty has been plaguing Ontario and Ontario workers all summer. Since July 1, when this program could have been introduced, the number of Ontario's unemployed has risen by more than 80,000 people on a seasonally adjusted base. The numbers I have, and they are only until the end of August, show that there were 5,000 more unemployed in Sudbury than at the end of July and 5,000 more unemployed in Kitchener-Waterloo.

In Toronto, unemployment has more than doubled since a year ago, from 74,000 to 161,000. In my own home town of London, the number has gone up dramatically. In Windsor it has almost doubled. In Hamilton, unemployment is currently 36,000, nearly three times what it was some 12 months ago.

If the Treasurer does not think the first priority is jobs, he should look for another job himself. The people of Ontario will not tolerate this delay, evasion and avoidance of responsibility for conditions as severe as they are.

What else has been happening while the government has been biding its time? Let me tell the members. Industrial output has continued to fall. Capacity utilization in the manufacturing sector dropped by a further 2.2 per cent in the second quarter alone. Housing starts were down by 32 per cent this year and were still dropping in July. August looks even worse for the construction industry.

There have been more than 700 bankruptcies in Ontario since the beginning of July. Layoffs in firms of 50 employees or more are up by 167 per cent over 1981. In July, the increased layoffs amounted to a 34 per cent increase over the previous month, and I have not got all the statistics for August.

What it all adds up to is neglect by the government. By any estimate, human, economic or mathematical, Ontario's people are underemployed, its capital is underemployed and, given what it has taken three months to produce, I can tell the House that the Premier's and the Treasurer's minds have been underemployed too. Of course, I am not suggesting that there is any direct relationship between the two.

We support the five per cent restraint program as far as it goes, but we urgently need a job recovery program now. We have already lost

too much time fiddling with the five. We cannot afford any further delay, and my party will continue to insist that we take the second crucial step to recovery now.

With these preliminary points in mind, let me turn first to the general principle of the package that is before us. On this side we have a great number of concerns with the legislation, some minor and some not so minor. We would like the government to address them, and we would like to have a full debate in this House and in committee to make sure we can forge the best piece of legislation possible in the circumstances.

As I have said many times, our party is in full support of legislated wage and price—I repeat “price”—restraint at this time. Although wages, particularly in the public sector, have not led the domestic inflationary spiral in recent years, there is no question that rising labour costs have contributed in a major way to the erosion of Canada's competitive position relative to many of our trading partners.

Nearly two thirds of our expenditures in Canada are for wages, and we have simply priced ourselves out of too many world markets. We have simply failed to achieve the productivity increases that are necessary to support higher labour incomes that were won during the 1970s.

3:50 p.m.

In the United States, which is our largest trading partner, wage and salary increases have plummeted to an average of less than six per cent annually. Because nearly 70 per cent of Canada's exports are to the United States, and because this province accounts for the bulk of those exports, it is absolutely vital that our wage and salary settlements be brought into line with those in the United States.

If we do not achieve this objective soon, Canada and Ontario cannot hope to participate in any worldwide economic upturn. Our exports simply will be too expensive relative to the cost of equivalent goods and services in foreign markets and particularly in the United States. It is a fact of life that if we want to benefit from world recovery, then wages and salaries and our entire inflation rate must be severely curtailed.

Prices too must be curtailed. Since one person's prices are someone else's wages, we need both restrained in equal measure. Administered prices are a particular villain; they are often charged in monopoly situations and they are not subject to the accountability of the marketplace.

In recent years, prices under government jurisdiction have risen at twice the rate of

private sector prices. This must stop. We need a very firm dose of restraint on regulated prices and other prices administered by government.

What we have all been doing for far too long is taking more out of the economy than we have been putting into it. Restraint is the only way to restore some semblance of balance between consumption on the one hand and investment on the other.

Mr. McClellan: Especially for hospital workers. Especially for clerical workers.

Interjections.

Mr. Peterson: The New Democratic Party members are doing a lot of yapping and, given their lack of understanding of the subject, I can understand why. Yesterday the leader of the New Democratic Party said, "It's extraordinary logic that dictates wage controls as the answer to the highest levels of unemployment in Ontario since the Depression." What we were given yesterday by the leader of the New Democratic Party was the left's version of voodoo economics.

If the pie is shrinking and everybody wants a big or bigger piece, then eventually someone is going to go hungry. That is why wage demands that exceed the real growth of the economy are pushing people out of work in other sectors. My friends in the NDP would say, "Well, bake a bigger pie." That might work if people's appetites did not grow quite as fast as the pie. That is what restraint is all about.

We need a two-pronged policy of wage and price restraints within the context of building a broader industrial base. I would rather have a lot more people working for a little less than a lot fewer people working for a little more.

Restraint alone, however, is no cure to our economic malaise. In fact, unless it is balanced by policies that stimulate investment, modernization and industrial expansion, a policy of wage restraint could lead to even greater jobless rolls. By controlling wages at below the rate of inflation, we are effectively reducing real consumption in the economy. That is why price restraint is critical.

A drop in real disposable income will mean fewer purchases, fewer jobs and even lower consumption after that. The only way to combat this threat is to bring in the second stage of the policy now. We need investments that will spur productivity on the nonlabour side to further deflate the real cost of goods and services. We need incentives for new industry and for modernization of old industry to create jobs and effect a real boost in consumption.

The economics of restraint dictate that money saved on one side of the ledger must be spent on the other. Inflation-fed consumption must be sacrificed for investment-fed expansion. That is why the second stage of this program is so critically important.

Without wage restraint now, however, there can be no hope. Any short-term gains in disposable income will be illusory. Real growth opportunities would only be swallowed by further price inflation. Price inflation would continue to be sustained by wage costs and by declining productivity owing to our ageing industrial infrastructure.

Continued high inflation and the interest rates it brings could only be a further deterrent to investment in plant and equipment. This is the quagmire from which we must escape. That is why wage and price restraints are such a vital first step.

But it cannot be just any wage and price restraint program. If it is to work, it has to be fair and it has to be seen to be fair. It must call upon every part of society to bear the burden of sacrifice, including the corporate sector.

The greatest flaw of this and other programs across Canada is that they single out only one sector, the public sector, to shoulder the load. I hope, of course, and I am sure the government hopes, that the private sector will fall into line. There is no question that the issue of job security for public sector employees tends to soften considerations of equity and wage restraint.

I am concerned about equity on the wage side but perhaps less concerned about that than I am about the price side. I am quite confident that most private sector employers would be happy to comply with that part of the program. In fact, I am led to believe that private sector settlements are already coming down and are in the range of eight per cent or so at present.

What worries me more is the price side. This program places no obligation on private sector companies to follow the five per cent guidelines, except in limited cases. We all know that there could be hundreds and hundreds of justifications for excessive price increases and that there will be a hundred justifications in the coming months.

In my view, equity demands a comprehensive control program for the private and public sector. My own party is on record as being in support of such an approach.

The Premier has been very interesting and, in fact, has fudged on this issue. On the one hand, he has asked this House to give first reading to a

bill in which he has asked for the authority to participate in any national private sector control program. On television the other night, though, he said he was not asking for a controls program from Ottawa. Then the Treasurer said he was sending a signal to Ottawa, whatever that means.

The sum total of this government seems to be that maybe we need a national control program and maybe we do not, but if someone in Ottawa thinks we do then it will go along. In my judgement this is an abdication of responsibility by the government, a government that runs the most populous and wealthy province in this country and the one that still has the most to lose.

I want to remind the Premier of what he said in the House on June 29, 1982, the day after the federal budget was introduced, at a time when he still professed to believe in equity.

"I think people are looking for leadership from their governments, leadership that at this moment in our history sets aside partisan distinction, and a degree of leadership that will make economic stability an absolute priority. . . ." He went on, "What is required is some clear and resolute leadership."

Clear and resolute leadership indeed. Through three months of delay, the Premier has lost his chance to show leadership on the issue of public sector restraint. In his heart, he knows that equity demands a more comprehensive program. Otherwise, he would not have brought forward his request for authority to opt into any federal program, should it ever develop.

I challenge him today to show that clear and resolute leadership. Why does he not make a formal request for a national control program on wages and prices? I challenge him today to ask for a federal-provincial first ministers' conference to consider such a national plan, not piecemeal plans across this country. That is the kind of leadership we need.

I want to speak for a moment, if I may, about doctors' salaries. In our judgement, at the very least the Premier has to take a strong position on the issues of equity within his own jurisdiction. The issue of the doctors' salaries is an excellent example. It would be wrong to allow the appearance of fairness to be undermined by letting the doctors' settlement stand. Their increase for the next year should be rolled back to five per cent as will everyone else's. I hope doctors will accept such a rollback voluntarily because, believe me, they are responsible people and I believe that with the proper leadership they

would be prepared to do that. Let us not forget that they bargained last year under a very different set of circumstances than they have now.

I will be very interested in the outcome of the current discussions between the Ontario Medical Association and the Premier. If doctors do not choose to comply in some way or other with the intention of this legislation, then I believe that this government and this House have to be prepared to deal with the matter appropriately.

4 p.m.

There is no reason a doctor earning \$80,000 should get a higher percentage increase than a clerk who is making \$15,000. Both are paid from public funds, and both have to live by the same rules. Of course there are arguments, and we have heard them already. First we are told the contract with the doctors is already in place and it should not be reopened. What does the government think it will be doing on December 31 with the office and clerical workers? The second year of their contract is already in place. It will be opened up and rolled back. Why a double standard?

Then there is the argument that doctors are really private sector workers. The Treasurer called them independent entrepreneurs; the Premier called them self-employed professionals. In the program, however, it is clear that private sector activity that is funded by the province will be forced to comply with the wage guidelines.

Let me quote, if I may, the relevant passage: "privately owned parapublic-sector companies contracted to or funded by the province, a municipality or other government agency to provide public services, including nursing homes, ambulance services, private hospitals, garbage contractors, contract group homes," etc.

Are doctors not funded by the province to provide a public service? Do they not fit equally into this category of private sector employees who are covered by their program? Why do we need a double standard? On this side we will be very concerned if the doctors are exempted. It would simply be unfair and unjust to allow them to be immune from restraint.

From the perspective of equity it is also regrettable, in our judgement, that the five per cent rule is to be applied so rigidly. While an attempt was made to cushion those at the bottom of the wage scale to some extent, the results are meagre—indeed, so meagre as to be laughable or pitiable if you happen to be living on the receiving end.

Let us take a clerk who earns \$15,000, for example. The maximum increase he or she can receive under this program is 6 2/3 per cent. Surely we can do better within the five per cent guideline to help those who suffer most from the ravages of inflation and the squeeze of the recession.

In British Columbia, a sliding scale was introduced that provides for increases from zero up to nine per cent within an overall average increase of five per cent for the public sector for the second year of their program. I would like to see us improve this bill by taking a more innovative approach to helping those at the lower end.

British Columbia and Newfoundland have both achieved more in this area than is being proposed for Ontario. We can improve this bill if we follow their example. My party would like to know the views of the Ontario Public Service Employees Union before proposing any amendments to this effect.

We are very concerned about the firm control of administered prices. The provisions as they now stand are full of loopholes. First, all sorts of cost increases, such as the purchase of goods and services, interest, depreciation and taxes, can be fully passed through to the consumer. This criterion alone will enable regulated industries and crown agencies to avoid the pill of restraint. Bad management decisions, mistakes and simple waste can inflate cost, which in turn can be passed on to the consumer.

The proposals for price restraints are much weaker than those for wage restraints and require far more careful administration. While uncontrollable feedstock costs legitimately need to be passed through to the consumer, great care must be taken to ensure that these costs are legitimate.

Moreover, the five per cent limit on increases in profits must be seen clearly to be a ceiling, not a guaranteed increase. Every regulated company should be forced to justify any increase in its allowed return on common equity based on past performance and the prevailing environment in which it must operate.

Two rate applications now before the Ontario Energy Board, those of Consumers' Gas and Ontario Hydro, will provide the true test of the government's commitment to restraint. In the case of Consumers' Gas the company is at present allowed a 6.25 rate of return on equity, and it has requested an increase to 7.25 per cent for the next year. Restricting the company to a

five per cent increase in profits would allow for a mid-range rate of return of 7.06 per cent.

But even this magnitude of increase cannot be justified, in our judgement. Witnesses for the OEB have testified that the allowed return for Consumers' Gas should in fact be reduced to 5.8 per cent this year, and the new restraints on wages may allow this to decrease even further.

Since the return for a regulated company is decided largely on the basis of alternative investment possibilities, in a time of decreasing interest rates and bank yields the return should decline. It is ironic that a company like Consumers' Gas could increase its after-tax profits as a result of the same regulated interest rates that have been crippling so many unregulated industries. The problem should not now be compounded by allowing an automatic and unjustified five per cent increase in profit.

As for Ontario Hydro, I have already made the Liberal Party position perfectly clear. This crown corporation should be explicitly restricted to total rate increases of no more than five per cent without provisions for any cost pass-through. There is more than enough room amidst the unnecessary expenditures and increases in unneeded capacity to trim costs efficiently to keep increases below five per cent.

Ontario Hydro will be the first big test of this government's commitment to price restraint. Already, in a scathing report, the Ontario Energy Board has slashed Hydro's request for a rate increase from 13.9 per cent to 8.8 per cent. Since then, new factors have come into play. Wage costs will be lower than anticipated, inflation will very likely be lower than assumed in the report, bond interest rates seem to be falling more sharply than expected, and of course the mismanagement of Hydro is being allowed to continue.

Over the past few years we have witnessed usurious uranium contracts. Projects have been started, then cancelled; brand new generating stations are in mothballs; millions are paid out for oil that is not to be delivered, because the plants in which we were to use it are not in operation—\$33 million last year and another \$27 million this year because of bad planning. These mistakes—and we have catalogued them before: \$2.2 billion, in our judgement—are being paid for by the consumers in Ontario.

Will the government of Ontario take charge of its affairs to prevent these pass-throughs under the restraint program? That is the question. Will they finally get Hydro under control,

or will Hydro continue to run our friend the Minister of Energy (Mr. Welch)?

We will be watching Hydro closely, not just because it is a symbol but because it has been ripping people off in Ontario for years with its abuse of public funds. If the federal government can force Bell Canada to back down from 25 per cent to six per cent, Ontario Hydro can surely be ordered to bring its rates down from 8.8 per cent to five per cent or less. That is the big test we will be watching very closely.

We believe that pass-throughs in all cases must be watched very carefully. The government should scrutinize every cost meticulously, even to the point of assessing questionable management policies in so many of our public agencies. Unless administered prices are kept firmly within the five per cent guidelines, the credibility of the whole program will be destroyed.

I have already stated our conviction that the potential of this program is inherently limited by its restricted scope. I have talked of the need for broader controls and greater equity. Now, Mr. Speaker, let me turn, if I may, to some of the other issues that concern me.

The program is designed to last only for one control year. For two reasons I do not think this is adequate. First, a one-year program does not import the degree of seriousness that is required if the government hopes to convince the private sector it is serious about restraints. More important, however, the short duration almost totally undercuts the very purpose for which we are participating in this restraint exercise.

Surely we want to use this period of controls to bring about a major restructuring and modernization of our industrial base. Have we not learned from our mistakes during the last period of controls? We should use this time as a breathing space to get our economic house in order for the long haul.

What worries me is that the government at this point seems to have absolutely no idea what it plans to do in this critical area over the life of the program. The absence of a clear recovery program at the outset of this period of controls only strengthens the argument for an extension of its duration. We will need time and a long period of price and wage stability to put the right fundamentals in place for restrained recovery.

We would prefer a longer period of time, with the option of extending it if necessary. We hope the government, in the light of its failure to bring

in an economic recovery program, will see the wisdom of this suggestion.

4:10 p.m.

One serious disadvantage to a wage control program that is not balanced by an equally rigorous price controls mechanism is the possibility of post-control catch-up settlements, particularly in the public sector as unions grapple to regain lost ground in relation to prices. Once full strike and collective bargaining positions are reinstated in 1984, and this will be a distinct likelihood, we will lose all we have gained through restraint. The inflationary cost-push cycle will be triggered again and we will be mired in the same dilemma from which we are now trying to escape.

For this reason, price control is of paramount importance and, I repeat, consideration of broader controls is warranted. But we must also take time in the committee to study fully the decontrol phase. We must ensure now that we are prepared to handle the problems that will inevitably arise when the program is lifted.

Let me also say a word about the removal of the right to strike. Obviously, if wages are to be strictly controlled, job action must be severely limited, but my party is concerned about the right to strike and the principle it represents. As far as possible we want to see that principle preserved through this period of restraint. Therefore, we are going to request the committee re-examine the legislation to see whether it is possible to retain the right to strike on nonmonetary questions such as health, safety and working conditions. We recognize the legal hurdle that is involved, but we are hopeful that by adjusting the definition of a contract in the present legislation some gains could be achieved.

I want to stress that the manner in which these programs are put together continues to bother me. In my view, the serious economic crisis we are facing afforded a first-rate opportunity to forge a consensus, to win voluntary sacrifice in the public interest and to begin to put a whole new face on the relationship between government, business and labour.

I fear the opportunity has unfortunately been lost by the denial of open dialogue and consultation prior to the program's introduction. Secret meetings were held and the press was kept in the dark. The whole strategy seemed to be based on the premise that public discussion of the difficult choices for Ontario would inevitably lead to the old-style confrontation politics.

I believe the era of confrontation politics is ending in Canada. While my friends to the left

are trying to keep it alive, of course, they are foundering in the backwater of public opinion, fighting a rearguard action. People do not want that confrontation. They want to know what will work, and they want to be consulted. On this issue of restraint, at least, there seems to have developed a broad consensus among the public. According to the latest polls, support for public sector restraint exceeds 60 per cent even in union households.

I am no great fan of Premier Bill Bennett, but I think the recent British Columbia experience provides an interesting model for salary negotiations across Canada in these difficult times. Wages were restrained, but those who were asked to sacrifice had a say in how the savings—

Mr. Foulds: They are the Premier's former advisers out there. That is the Tory party west.

The Acting Speaker (Mr. Cousens): Order.

Mr. Peterson: Over four months ago, well before the federal program was introduced, I called for a public process of hearings to be initiated by the Treasurer for the purpose of considering the budgetary and economic options that confront the province. I wish he had followed my suggestion. I am convinced we could have had very fruitful and positive debates on many of these questions. More important, we probably would have reached this juncture today with a far wider consensus around the measures that need to be taken.

If this national restraint effort is to be more than just a one-shot attempt at forging a national economic will, we have missed an opportunity to redefine the economic partnership which is Canada. We should be focusing heavily on the process of economic decision-making today. If we hope to build a truly co-operative and productive spirit into the society in which we live, and if we hope to emerge from this period of restraint with our social partnership intact, we must recognize that increasingly the process is the product.

This process of collective, open decision-making which I am endorsing is the means by which we can and should seek to make all our future adjustments between interests, between classes, between wages and profits, and between consumption and investment. It is only in the collective decision-making process that the interest of the whole society rather than of its various parts can be filtered, woven together and articulated.

I urge the Premier and the Treasurer to begin today to redeem the process by which they have

brought forward this legislation. I urge them to consult with the public sector on the reintroduction of the right to strike for nonmonetary issues. I urge them to consult with the public service on the matter of sliding scales. Finally, I urge them to consult with the public service and others to find out how they feel about the savings gained at their expense and how those savings should be spent in Ontario. In my view, there is nothing to fear from such a course. While the very fabric of our economy is in such deep crisis, there is a tremendous commonality of interest in Ontario. It is called survival.

The savings from this restraint program are still very unclear. On Tuesday we were told the savings were not yet known. In the *Toronto Star* the Treasurer said he would put the figure at around \$840 million. The director of fiscal policy stated the total savings to the province would be in the \$420-million range, spread out over three years with the bulk of the savings in 1983-84. Approximately \$50 million will be saved in this fiscal year as a result of reductions in expected wage settlements, particularly in the fourth quarter. These are real savings because they are reductions in budgeted expenditures. The other \$380 million are, in a sense, only theoretical savings relating to the difference between controlled wage increases and forecast increases without control. Compliance by doctors would add another \$81 million in real savings.

Trying to calculate what is real and what is theoretical is not easy. It reminds me of the story of a chap who missed the bus and ran to the next stop to get on it and missed it again. He ran to the next stop and missed it again. Finally he ran all the way home. He said to his wife, "I just missed the bus, but I followed it home and saved 75 cents." She said he was silly; he should have followed a taxi and saved \$4.

Whatever these savings are, it is the view of this party that every cent should be ploughed immediately back. This is the key point. Whatever those savings are, and we can disagree on them, they are substantial, and whatever those savings are, they should be ploughed back immediately into the economy to spur jobs and to spur investment. That is the key. If I have one message I want to leave with this House and the Treasurer today, that is the key.

The government must exercise its responsibility in this area. All the available resources must be channelled towards productive investment by the public and the private sector. This is the crucial missing part of the program that is

before us. We need a commitment to redirect real savings from both restraint and the elimination of waste. They have to be directed into jobs and into growth.

Ever since I was elected leader of this party, I have been talking about jobs. Jobs have to be the centrepiece of any economic recovery package. Where is the commitment, any commitment, from this government to meaningful and lasting employment opportunities? The people of this country and province are willing to sacrifice if they are given something to sacrifice for. We must not allow this unique opportunity to restructure our economic base to pass without a real effort to put the fundamentals in place.

Where is our commitment to increase our investment in high technology? Where is the spending on research and development? Where are the programs to train our young people for the complex skills of the modern labour market? Where is the money for better husbandry of our own resources? Where are the incentives for the private sector to modernize plant and capital? That is what we are missing.

The real fight against inflation and unemployment will not be won by temporary wage restraint. It will only be won by a vastly improved productivity, vastly improved industrial competitiveness and a vastly improved world marketing capacity and better labour relations. Wage restraint can only provide breathing space. On the public and private investment side, we need growth, not restraint, and strategies of expansion rather than retention. Our economic engine needs the grease of investment now.

Frankly, I am frightened by what I see happening to our industrial base. Since the middle of 1981, business investment has plummeted to the point where it is no longer even keeping ahead of inflation. Currently, we are actually disinvesting in real terms in plants and equipment. Capital spending in Ontario for 1982, in all sectors except housing, has increased by an average of only 4.2 per cent and original projections have been revised downwards to almost nine per cent. In Canada as a whole, the manufacturing sector is actually spending 4.1 per cent less on capital improvements than it did last year.

Bluntly and simply, we are letting our economic engine run down. We must reverse these potentially devastating trends if we want a strong and modern economy that is able to

compete in the 1980s and 1990s. We must start to put back far more than we are taking out.

4:20 p.m.

Wage restraint set the stage for such a shift in spending in our economy. As we bring inflation and interest rates down, investor confidence must be reinforced by government policy. We must encourage the business decisions that the climate of uncertainty has deferred for so long. The government itself must take the lead by showing its own determination to invest productively for tomorrow. We desperately need jobs now.

We need to stimulate further the job-intensive construction companies. What are we going to do about it? Why do we not examine some innovative techniques to assist that sector further?

What about a mortgage indemnification scheme so that buyers could be protected by insurance for interest costs above a guaranteed rate? Such a program could be self-supporting.

What about housing and employment development bonds such as were recently offered in British Columbia? Some of those could be offered to public sector employees as part of their compensation.

What about extending the renter-buy program to resale homes so that we can more fully exploit the domino effect of home sales to stimulate the durable goods industry and to create an additional final demand for new home construction?

These are some of the innovative options we should be pursuing if we are serious about jobs. There are many more—in the auto parts industry, in the high-technology manufacturing sector and in communications. There is much we can do to provide more work for the thousands that desperately need it.

Just last week, Larkin Kerwin, chairman of the National Research Council, issued a statement that indicated a real commitment to research and development could double current industrial output and create 650,000 new jobs by 1990. Three per cent of Canadian industrial companies, those that qualify as high-technology firms, are already contributing eight per cent of the total gross national product. The federal government has led the way with a 34 per cent increase in R and D spending from 1979 to 1981. The secondary-industries sector has increased its spending by over 40 per cent.

The government of Ontario has a major and important role in this area. We have the resources, if we can only get our priorities straight. The billions that have been spent on land assembly,

advertising, consulting fees, Minaki Lodge, Suncor and other bottomless pits should be put where they can create new industries, new jobs, new revenues here in Ontario. The combined stimulus potential of savings from restraint and waste elimination could provide a fantastic boost to this province's economic prospects. There is need to commence a program like that now.

I recognize that the selling of the jet was an important, symbolic step in reducing waste, but it is not enough. The issue of government waste is more than just another political forest fire being put out by two new water bombers. We on this side of the House intend to keep the heat turned up on this debate and throughout this session. We must guarantee that we spend every dollar we have with a view to how many jobs we can produce here in the province.

I want to serve notice that we in the Liberal Party will fight any attempt to restrain or freeze transfers to municipalities, hospitals and universities. Municipalities face burgeoning welfare rolls which must be accounted for. Thousands of Ontarians will be losing their eligibility for unemployment insurance benefits this fall and they must be protected.

In addition, we need the jobs that municipal capital spending will produce over the coming months. Certainly municipal wages should be controlled, but it will be a grave economic error to pass on the fiscal mismanagement of this government to our cities by cutting back on the transfers, as appears to be the case.

The same logic applies to hospitals and universities. Wage restraints are one thing, but if we are serious about economic recovery, we need even greater research and spending in these vital areas. We need improved health care services and increased numbers of highly skilled graduates from the post-secondary sector. These institutions are an investment in a better future and they have to be strengthened now.

My colleague the member for Hamilton Centre (Ms. Copps) addressed some of these matters in a report some time ago. Let me take, for example, the shortage of chronic care beds. If we are going to embark on a program to supply 1,800 new chronic bed facilities, not only will this alleviate the overcrowding in our hospital system, not only could we supply the chronically ill with facilities better suited and less expensive than those they occupy at present in our active bed facilities in our hospitals, but we will also induce more employment among health care personnel, not to mention spinoffs, such as construction jobs and so on. The cost would fall

in the range of savings I have already referred to.

Finally, let me say just a brief word about my friends to the left, the NDP. They are on the horns of a terrible dilemma. They keep yapping about interest rates. First of all, they do not understand them, they have no control over them and that is their principal thrust. They are on the horns of a dilemma. On one hand they want to appeal to the moderate people in this province, and I can understand that. I can understand why their leader said on television the other night that he was in favour of restraint. It was a new twist for Socialists, but given what the polls are saying, I can accept their obvious desire to tread lightly on this issue.

They are in a terrible position. I can understand why the same economic recovery program that cost more than \$1 billion a few months ago is now suddenly self-financing. I want to congratulate them for the spectacular, if half-hearted, effort made to carry the banners of their union bosses who installed them. Political debts tend to last and last and last.

Unlike the NDP, it is our intention to support this first step. But it is only a first step and a flawed one at that. It gives us our first real chance to bring recovery within reach. My party will push for changes in the restraint program which will add to its equity and to its impact. I repeat, we will be pushing hard for the second stage.

We need an ambitious economic recovery program now. Otherwise this five per cent program will merely become a gimmick to deflect the heat of economic mismanagement and profligate waste. Governments have been handling our economy for too long in that manner. People have a need for real and lasting solutions that all of us together have to deliver.

Mr. Foulds: Mr. Speaker, I rise in a mood of mixed emotions. I find myself angry, frustrated and, as my colleagues find themselves, determined. I want to put the government and, if I may say so, the wishy-washy balancing act of a bush-league Joe Clark with glasses, the Leader of the Opposition (Mr. Peterson), on notice that this caucus intends to fight this legislation every single step of the way.

We intend to engage in a parliamentary battle the likes of which this parliament and this Legislature has seldom seen. Why do we come into this House in such a mood of anger and determination? I tell you very simply—

Mr. Kerrio: God knows; God only knows.

Mr. Foulds: Yes, my flippant friend, the member for Niagara Falls, God does know. The member may not know, the clowns in the Liberal Party may not know, but the people of this province and the people in this party know this legislation, very simply put, is authoritarian, insensitive and ruthless.

In the person of Jack L. Biddell, it creates a czar with rights and privileges that Louis XVI would have envied. This legislation reaches destructive tentacles down into the smallest municipality, the smallest children's aid society and the smallest hospital or child care facility in this province. To the men and women working there—the cleaners, the food service employees, the snowplough operators—it says, "We have an economic mess in this province and that economic mess is your fault."

This legislation is find-a-scapegoat legislation. One only has to look at the schedule attached to the back of the legislation to see who this government believes the scapegoat should be. It is arbitrary legislation forced and produced by the mentality of a frightened and vulnerable Premier (Mr. Davis) who has had his finger up in the air for several months testing the winds of political opinion just to see which way they are blowing. It is legislation that does not solve or even begin to come to grips with the serious economic problems facing the province.

4:30 p.m.

Let me just sketch a bit of background to put in context our arguments on this particular bill. Very simply put, in 1982 Ontario is in the midst of a depression. We like to use the word "recession," but by any other name, aside from the crash of 1929, the economic circumstances in 1982 in Ontario are the same as in the 1930s. There is high unemployment, people are losing their homes, their farms, their marriages and their families. Very simply, we are solidly in the midst of a depression.

Let us take a quick look at the unemployment figures. There were 689,000 people out of work in Ontario in August. Of the women in the Ontario work force, 11.2 per cent are out of work. We have a youth unemployment rate of 16.1 per cent. Looking at the cities across the province, my home town of Thunder Bay has an unemployment rate of 10.1 per cent, and it is one of the best off. It goes from that to St. Catharines and Niagara at 12.4 per cent, to Hamilton at 13.1 per cent and to Oshawa at 11 per cent. Sudbury, the mining capital of Ontario and once the mining capital of the world, has an

unemployment rate of 26.9 per cent. That is scandalous.

Several years ago, we had similar layoffs. A cabinet committee was appointed to look into the serious situation of all the one-industry towns over northern Ontario and it did nothing.

Mr. Martel: It did not even meet.

Mr. Foulds: It did not even meet, as my colleague the member for Sudbury East knows all too well. If I may say so, it was a committee set up by the Tories simply as a cosmetic measure and, because they did nothing, the situation comes home to haunt them.

The statistics roll off the tongues of politicians and economists alike, but behind every one of those statistics is a man, a woman and several children who face a depression in the very real sense of the word, in unemployment and poverty.

I want to talk about poverty for a moment. Over the past year, no steps have been taken by this government to increase the spending power of its citizens. For example, we have had no increase in Workmen's Compensation Board payments, in the minimum wage, in family benefits assistance awards and in general welfare assistance.

In Ontario, we have a poverty problem that frankly is a scandal in an advanced nation, a nation that considers itself civilized in 1982. We have a problem where, for example, the working poor, the people who work 40 hours a week and are on the minimum wage, have an income of \$7,280 a year. And, Mr. Speaker, do you know the poverty line for that person established by the National Council of Welfare based on Statistics Canada revisions? The poverty line income is \$8,970. So the working poor are very clearly below the poverty line.

Among the elderly—the people who receive the guaranteed income from old age security, from the guaranteed income supplement, from the guaranteed annual income supplement—a single person receives \$6,351 income while the poverty line is \$8,970; married persons with a family receive \$12,042 income while the poverty line—and they are above it—is \$11,835. That is the only category where that happens.

Family Benefits Act recipients: a mother with two children, annual income \$7,428. I would like any member of this Legislature to consider how he alone with two children could live on \$7,428. The income to meet the poverty line should be \$15,831, about double what they receive.

In this rich province of Ontario, this province

of opportunity, this province of which the government said time and time again, several times in an election many years ago, "Is there any place you would rather be?" a disabled single person receives through the generosity of this government \$4,968, and the poverty line is double that, \$8,970.

The figures go on and on: general welfare assistance single income, \$3,192; poverty line, \$8,970—that is employable. A single unemployable person gets \$3,456; poverty line, \$8,970. A couple with two children gets \$7,380; poverty line, \$18,243. That is part of the depression we are facing in Ontario in 1982.

Now let us take a brief look at a few price increases that we have had over the last year as reported recently by Statistics Canada. Mortgage costs have increased 23.9 per cent since more than a year ago; gasoline prices, 18.9 per cent; car insurance, 30.2 per cent; local transit fares, 22.6 per cent; energy prices, 17.6 per cent.

All this came home to me in a way I had never experienced in my life. Although I was alive during the Great Depression, I was young enough not to have experienced it in a very real way. But for the first time since I have been a member of the Legislative Assembly I have had six solid weeks at home in my constituency talking to, working with, consulting with and trying to help people who came in to my office every single day.

The human impact of those statistics frankly cannot be described. You know, people come in more than ever with their unemployment insurance claims, their compensation claims, their social assistance claims. We have social assistance administrators who are saying to people, "You cannot even apply for welfare. You cannot apply for assistance," because the strings have been tightened on the municipalities so much and their defence mechanism, instead of railing against the provincial government, is to rail against the victim. They will not even let people apply, let alone turn them down and at least give them the right to appeal.

4:40 p.m.

There are shameful and scandalous things happening in the administration of our social assistance programs in this province. It was epitomized for me by two constituents. One was a young man who came into my office. He had left his job because he had previously injured his back and he could no longer carry on with his present job. He lost his home. He could not get his compensation claim established. He said, simply and drastically to me, in the language of

the 1980s, "Mr. Foulds, my marriage has been totalled." What a sense of despair is expressed in that 1980s expression.

People all over Ontario are being driven to the brink of disaster. They are being driven to the brink of despair by the collapse of an economy the responsibility for which they gave to the government to build, maintain and protect.

A second constituent, a 55-year-old man, who came to me put it graphically. He had been working I think 12 years for a company. He was laid off with the minimum amount of notice. He was unorganized. Luckily, his family had grown up, but he and his wife came into my office and he said: "Don't they have to do anything? I don't have a pension plan."

They may lose their home; they have not yet. He had worked steadily since he was a young man. He went into the bush originally, when he was 18. He was lucky. He got into the city and worked as a mechanic, first on the heavy equipment for the pulp and paper companies, then for a private company, and was laid off just like that. He has no pension. What does he do?

He came to me and he said, "What can I do?" Well, we can enforce the Employment Standards Act. He does not have a union. He has no rich contract, no rich benefits; and very few of those contracts do anyway. This government stands idly by and does nothing.

What response do we get to the serious economic situation? We have the Liberal response at the federal level engineered by Senator Keith Davey, as expressed on the Journal last night on television; a manipulative program of six and five concurred in by their confrères provincially that does nothing to help the people I have mentioned.

We have a Tory government in this province that brings in the legislation before us which we are debating. We therefore have, as we have seen, the Tory-Liberal alliance when it comes to this bill.

Who else do we have calling for wage restraint? Where do we have it come from? The Tories provincially, the Liberals federally and something called the Business Council on National Issues. Does the House remember the Business Council on National Issues issuing a statement on May 17, 1982, that we had to restrain wage increases at least to seven per cent? The seven per cent solution has moved to the five per cent solution in Ontario and I will talk about those various hallucinogenic problems in a few moments.

But who makes up the Business Council on

National Issues and what do they get in remuneration? The list I have before me says that E. M. Bronfman, chairman of the Seagram Co. Ltd., is on that committee. He is struggling by on wages and income and cash equivalent remuneration of \$1,064,288. If I were Mr. Bronfman, I would love to have a guaranteed increase of five, seven or even 4.4 per cent next year.

I do not want to name all the illustrious people on this list but they range from that down to—

Mr. Martel: Go ahead. Give us some of them. I want my friends to hear it.

Mr. Foulds: Perhaps I could pick out a few people who maybe—

Mr. Martel: Yes, they need an increase. Go ahead, read it.

Mr. Foulds: There is, for example, J. A. Armstrong. Remember J. A. Armstrong? He is the chairman of Imperial Oil. He gets by with a paltry \$736,741.

Mr. Martel: He is starving.

Mr. Foulds: A. J. de Grandpré, chairman of Bell Canada, that struggling corporation, that entrepreneurial monopoly, which both the federal government and the provincial government like to cite as an example of Canadian technology; he, poor fellow, is struggling with only \$626,000.

Mr. Martel: Underpaid.

Mr. Foulds: Ian D. Sinclair. Remember Ian Sinclair who was with Canadian Pacific Enterprises?

Mr. Martel: He is heading the thing up in Ottawa now, isn't he?

Mr. Foulds: He is the head honcho, as my colleague from Sudbury would say. I would never use such a phrase. But he is the head honcho of the private restraint tax force for the Liberal government in Ottawa. That poor chap is getting by with \$556,228.

Mr. Martel: Gee, I wonder how he can do it.

Mr. Foulds: Then we have W. F. Light, president of Northern Telecom Ltd., \$538,000; the impoverished president of Alcan, \$532,941. We have F. S. Burbidge, chairman of Canadian Pacific Ltd., \$457,086. Now the one I want to underline for my colleagues, especially my colleague from Sudbury, is C. F. Baird, chairman of Inco Ltd. He, poor fellow, is getting by with \$425,645.

Mr. Swart: Do they have to pay OHIP on top of that? Terrible.

Mr. Foulds: We will have to check that one out. I think they may have to pay their own OHIP fees. They probably live in provinces where there are no OHIP fees.

I just want to mention one last one, G. R. Albino, who is the chairman of Rio Algom. Poor chap, he gets by with \$396,672. Those are the kinds of people who are all for restraint in wages.

I am afraid I do not have the clipping with me, but I remember reading a Canadian Press wire service story carried in the Thunder Bay Chronicle-Journal when the pulp and paper industry made its presentation to Mr. Sinclair. He said, "Yes, indeed, we support the wage restraint program, we think it is a way out of the dilemma." When asked about prices, he said, "I think the market should be taken care of, not the price situation right now."

I say you cannot have it both ways. If you are a free-market economist, if you are a Tory, if you are a Conservative and believe in the free market for prices in the private sector and even—so far, legislatively at least—believe in the free market for wages in the private sector, how come you believe in controls for wages in the public sector? Is that not just a little inconsistent somewhere? Is that not just a little authoritarian, a little un-Conservative? Is that not just plain stupid?

The Treasurer (Mr. F. S. Miller), and this is the Treasurer's bill, wants to carry the message across the province and into this Legislature on behalf of the Premier and the government of Ontario. It is his piece of legislation. The Treasurer said in his budget, and I quote directly, "I will outline a major job creation program, a new initiative for housing construction and an important incentive for small business, that will also add significant stimulus to the Ontario economy."

Mr. R. F. Johnston: Did he say when?

Mr. Foulds: No, there was no deadline, unfortunately. But he said, and there is a deadline here, that because of these factors and actions the Ontario economy should strengthen during the balance of the year. Employment by year end should reach 125,000 over the current level—real growth.

4:50 p.m.

Mr. Cooke: He did not say whether it was negative or positive.

Mr. Foulds: Oh, I would assume—they are the masters of double speech; we are not—real growth in gross provincial product in the second

half of 1982 should be four per cent on an annual basis. I would suggest that the Treasurer said that four or five months ago. He took so long to bring in his budget; it took him at least six extra weeks to bring in his budget so he could come with that accurate projection.

Then he brought in this piece of legislation and said to us on Tuesday that his budget was not good enough. That is what he is saying. He is saying his budget was not good enough and, "The only way out of it, because I cannot curtail my deficit any more, I cannot raise the taxes any more, is to raise taxes by a sneaky underhanded attack on the collective bargaining system for public service employees."

Over the last half decade, workers in Ontario have paid the greatest price for the depression we are being led into. They paid the price already in the real decline of their purchasing power, in their dashed hopes, and they have paid it in a growing cynicism about the future and about the government itself.

Perhaps one of the most genuinely heart-wrenching things for me, as an individual legislator, was to see this summer just how deeply embedded in people is the cynicism about their government. The government of this province and the government of this country have established a double standard. What the government of this province and the government of the country say to the ordinary men and women of this province is, "You must tighten your belts but we are not going to." I will get to that in a few minutes.

As a democrat, Mr. Speaker, I believe that governments are elected to protect and safeguard the interests of our people. I believe that the main business of government is to adjudicate among the various interests of society and to adjudicate those fairly. I believe that the business of government is to protect the weak and restrain the strong.

If governments are elected to do those things, I say in all sincerity that this government has failed utterly and completely. If governments are elected to bring together a consensus to work for a future in a province, then this government has failed utterly and completely. If governments are elected to secure a bright future for our children, then surely this government has failed utterly and completely.

I remember 1971 in this province, when the Tory party first formed the government under the present Premier. Frankly, the hopes of the province were bright. There was enormous opportunity. There was growth in the economy,

there was good employment and there were opportunities to be seized. And this government, under this Premier, has failed. They have thrown away the opportunities of the 1970s and have nothing to show for it. They have squandered our resources, they have squandered our manufacturing sector, they have squandered their taxation rights and abilities and they have left us solidly in the depression of 1982.

Worse than that, beginning in 1977 this government knew it had failed. It was in 1977 that the Tories' patronage system cranked up beyond the realms of decency and got into the kind of government advertising that is so senseless, so expensive and self-congratulatory. When you have nothing substantial to say, put on the slick TV commercial to say it there.

This government knows that it has failed. It knows of its disregard of our trust and the trust that people have put in it, and of its failure to address the deep problems, the structural problems in our economy. It knows they began to appear years ago. The government knows and I believe even the Premier knows that these factors and this government's lack of leadership have dragged us deeper into the mire of the depression. These are strong words, but I cannot express fully what all of us in this party feel has been done to the people of Ontario.

First, the government leads the province into decline and collapse and now it wants one sector of those ordinary men and women to pay the consequences of that decline. Like the Liberals in Ottawa, the Davis regime knows not what to do so it reaches into the depths of its Tory heart and determines to bash workers. The polls show that people want some dramatic action, any dramatic action. The legislation before us today tries to tell people in the private sector that their layoffs are because of the people in the public sector.

What kind of distorted view of the world allows our Premier to tell the province that thousands of ordinary people who work to provide essential services—health care, services for children, public transportation, schools—have suddenly become the enemies of the people. He has no right.

Mr. Laughren: It is outright deception.

Mr. Foulds: It is deception of the worst sort, as my colleague the member for Nickel Belt interjects.

Mr. Martel: They don't want to tackle the real problem: high interest rates.

Mr. Foulds: I wish the Premier were here. The Premier called the special session of the Legislature. He said he needed the Legislature to pass this important piece of legislation and he has not been in his seat during this debate at all, either for the Leader of the Opposition or for myself. It does not worry me. It does not worry me in terms that have to do with me or with the Leader of the Opposition. But it has to do with what government should be about, what parliament should be about and what legislatures are about. It is what responsible government is about.

One does not call the Legislature and then, if I may say so, trot off to one's office and listen on the squawk box. One does not trot off to one's office or to "important other commitments." I would like to say directly to the Premier—

Mr. Martel: Where is the Treasurer? It is his bill, the Treasurer's bill. Why is the Treasurer not here? It is his bill. Why do we not adjourn until the Treasurer comes back?

Mr. Foulds: We will give the Treasurer three or four minutes to get back into the House. I would like to say to the Deputy Premier, to the Premier and to the Treasurer: How can they look in the eyes of the people who come into this building at night and clean their offices and say to them, "It is your fault that 689,000 men and women are out of work in Ontario?" No honest government, no honest Premier could.

I would like to say, and I wish the Premier were here to hear because I would like to say it directly to him, that underneath that comfortable, bland and polished politician's exterior lies a man of no economic or political principle, and this legislation reveals a government of no economic or political principle.

5 p.m.

This legislation, which is the centrepiece of the government's full economic program, scapegoats the workers in the public sector. More than that, it does something else to break the trust. I believe, the people in this caucus believe, our party believes that contracts signed in good faith between government and the unions representing its workers are going to be breached. There is no question about that; the legislation says it very clearly.

When people join with the government and all other public institutions in good faith to settle the terms of their employment, then they have the very simple right to expect that the contractual agreement will be adhered to. What the bill does is quite serious in its attack on the

collective bargaining rights of workers in the public sector.

Mr. Mackenzie: It destroys them.

Mr. Foulds: My colleague the member for Hamilton East, who knows labour relations far better than I do, says very simply and dramatically, "It destroys them." He is right, because the act profoundly intervenes in the collective bargaining process to the point that it is doubtful that a union certified as the agent of those workers can play any meaningful role in negotiations.

Mr. Mackenzie: Even on nonmonetary items.

Mr. Foulds: Even on nonmonetary items. That is where the Premier misled the House in his statement. It was a misleading statement indeed, and I will get to that in a minute.

In the transitional period, since every employer knows that at most he will be forced to provide a nine per cent increase by the—

The Acting Speaker (Mr. Cousens): Did the honourable member just indicate that the Premier misled the House?

Mr. Cooke: Right on.

The Acting Speaker: All right. I ask the member to find another way of indicating what he is trying to say.

Mr. Bradley: Here's his lawyer.

Mr. Martel: On a point of privilege, Mr. Speaker: I want to ask the Speaker who drew that to his attention. I sat here and watched as that thing was drawn to his attention. Which member of the government caucus—

The Acting Speaker: No, it was I. My ears were startled, and I asked the table if they had heard it. So I ask the member who has the floor to withdraw that.

Mr. Foulds: Let me put it this way then, if I might—

The Acting Speaker: I ask you to withdraw, and I am asking you in a most pleasant way.

Mr. Foulds: I will withdraw my statement that the Premier misled the House, Mr. Speaker. But I want to say, and to say very seriously, that either the Premier misled the House or he does not know the terms of the legislation the Treasurer is proposing and for which he called this Legislature back. Either he misled the House or he is ignorant of the terms of his own bill. I find it hard to believe that the Premier is ignorant, but he can have it one way or the other.

In the transitional period, since every employer knows that at most he will be forced to provide a

nine per cent increase by the Inflation Restraint Board, there will be a strong incentive to avoid bargaining and, instead, to go to the board in every case in the hope of having an increase of less than nine per cent mandated.

There is no compulsion on the board to have a hearing. There is no compulsion on it to call witnesses. There is no compulsion on it to make public the reasons for its judgements. The terms of the Labour Relations Act and what we have built up in this province over the past 40 years are completely set aside.

Next, although section 15 of the act provides that nonmonetary items may be changed if there is agreement between union and employer, since there is no mechanism for resolving disputes in these items and thus no bargaining power or sanction available to the union—neither the right to strike nor the right to send a dispute to arbitration—there is no reason to expect improvement on any nonmonetary item, such as health and safety, grievance procedures and so on.

The company will argue every grievance, because it costs somebody some money. Every improvement in cleaning up an occupational health hazard costs some money. In any contract, which items that describe working conditions are “nonmonetary”? The government has put the lasso around the terms of compensation so tightly that it makes the Anti-Inflation Board legislation look like a Sunday school picnic. This legislation was very cleverly, very thoroughly and very rigidly drawn.

In addition, there will be some cases where workers have been exercising their legal rights in the expectation of gaining something in an agreement which now, because of this legislation, will turn out to be totally ineffective.

For example, the contract of the nurses of the Niagara public health unit expired in February 1982. They have been on strike since May 1982. They went out on strike under one set of rules, a set of rules that we thought were passed by this Legislature and that we thought were laws that would not be easily abrogated. Now they discover that they went out on strike in vain since this act, if it is passed, will unilaterally change the rules and force them under controls.

The Inflation Restraint Board not only will have the power to determine compensation increases, but also, as I said, will not have to hold a hearing on any matter referred to it; nor is it required to give any reasons for any decision, order or determination that it makes.

Mr. Martel: Sounds like Ghenghis Khan or Attila the Hun.

Mr. Foulds: As a matter of fact, this bill makes the code of Hammurabi look progressive. Those members who are classical history scholars know that goes back several thousand years.

The bill also provides that although the five per cent increase is to be mandated where the compensation plan is part of a collective agreement, the increase may be anything up to five per cent where there is no collective agreement. Thus the non-unionized public sector work place faces the possibility of mandated increases ranging from zero to five per cent. Just have a quick look at clause 12(1)(d), Mr. Speaker.

A further instance of the discretionary power of this legislation is evident in subsection 12(2), which leaves it to the discretion of the employer to pay the employees the difference between the negotiated or mandated increases and \$1,000, if any. The so-called topping up of the lower end of the scale by this government, by this Legislature, is a sham. It is only if the employer wishes to; the employer has the right. What kind of so-called even-handed legislation is that? What kind of fairness is this to the low-paid public workers, that it can be dispensed at the whim of the employer?

Let us turn from the iron fist of the wages side of the bill to the velvet glove of its price side. Let us take a quick look at what it does for the price side of things. In effect, we have two programs with different terms of reference and administrative procedures. One program is outlined in the legislation which we have before us; the other is contained in an overview provided by the Ministry of Treasury and Economics and amounts to a statement of policy.

5:10 p.m.

First, the so-called statement of policy, the one that has to do with the government's limits on fees, prices and licences, administered by various ministries, presumably limits the so-called increase to five per cent between September 21, 1982, and December 31, 1983. As the overview from the Treasury explains: “All fees, licences or prices charged by ministries of the government will not increase by more than five per cent in the period. . .” This actually constitutes a statement of principle and is not a mandatory requirement.

First, just what is included in the phrase “fees, licences or prices” is subject to the government's discretion. The government has decided,

for example, to exclude Ontario health insurance plan premiums from the restraint program even though Treasury officials admitted to our research department that OHIP, by definition, could be included, as my colleague the member for Bellwoods (Mr. McClellan) pointed out in question period this afternoon.

Second, some of the fees included in the program may be increased above the five per cent fee under certain circumstances. These circumstances tend to be as follows: If upon monitoring fees, prices, etc., within his or her jurisdiction a minister discovers an increase in excess of five per cent, then he or she takes it to a special cabinet committee for review. Is that not nice? Is that not just dandy?

Mr. Martel: They don't do that with wages, though, or the cost of living.

Mr. Foulds: That is right. There are draconian, arbitrary measures for the wages sector but there is a little consideration for special circumstances on the side of fees.

The biggest single weakness, however, is that the major components of higher costs of living are totally excluded from the restraint, even within the government sector.

When it comes to government fees, the average family in Ontario pays about \$50 a year on various licences, permits and fees, such as hunting licences, maybe a banquet permit for a family wedding in a hall and that kind of thing. However, as of October 1, 1982, the average family in Ontario will pay \$648 a year for OHIP. That does not get restraint. It is the nickel and dime part that gets restraint.

The second program of restraint is embodied in legislation. This program deals with those organizations and corporations that have their prices set by a regulatory agency such as the Ontario Energy Board. In this case, application for price increases will be judged according to the following criteria: First, all costs other than profits and wages can be directly passed through as increased prices. These costs include such things as taxes, interest rates and costs of goods and services. Second, the component of a price increase which relates to increases in the wage bill will be limited to five per cent.

Mr. Martel: Do they not consider that for the wage earner too?

Mr. Foulds: No way. I was sort of startled. I do not know whether any other member saw it this morning—I am jumping a bit—but in the business section of the *Globe and Mail*, I saw a headline, "Union Gas Adopts Wage Curbs, Is

Seeking 4.4 Per Cent Increase in Rates." There is a great picture of Darcy McKeough—the great and wonderful, big-hearted Darcy, sitting in his shirt sleeves; a little older, a little paunchier than when we knew him here in the Legislature. They are going to adopt 4.4 per cent. Is that not generous of them?

Mr. R. F. Johnston: That's good. It's working.

Mr. Foulds: It really is working. But then I got down to paragraph 8:

"However"—I like that word—"the request for a 4.4 per cent rate increase does not cover the recent increases in the cost of shipping Alberta natural gas to the Ontario market. Nor does it include scheduled increases in the Alberta border price of natural gas, which is raised every six months under the energy agreement between the federal government and Alberta.

"Once these costs are added into the rate request, Union Gas will be asking for an increase well in excess of 4.4 per cent."

Mr. Swart: It's 18 per cent they are asking for.

Mr. Martel: What about the taxes to the home owners?

Mr. Foulds: The Minister of Energy (Mr. Welch) has a fine record in this Legislature, because the Ontario Energy Board has made a number of recommendations about price increases. We have asked the Minister of Energy to intervene in a number of those increases, from Ontario Hydro rates to natural gas rates, and he has sat silently wringing his hands in this Legislature and said: "It is not my role. It is unconstitutional. I cannot do it." Where is the Minister of Energy when it comes to the cabinet committee that reviews them? Is he on it? Yes, he is there.

Can we imagine the track record of the membership of the cabinet review committee made up of progressive people who have fought for the consumers and the low-wage earners of this province? Can we imagine the Minister of Education (Miss Stephenson), the Minister of Transportation and Communications (Mr. Snow) if he wakes up for the hearings, the Minister of Community and Social Services (Mr. Drea) as he tramples on the poor, and the Treasurer going to bat for the consumers? That is really an evenly balanced, progressive committee. What hope do we have there for protection of the consumers?

The pass-through that will be allowed on all those costs will mean that the program's impact to regulate prices will be minimal. The program, despite its appearance, remains discretionary. In general, both of the price programs of this

provincial government do not in any way constitute any control on the price sector. It is an if, but and maybe price guideline program. Those prices that are responsible for inflation are virtually left exempt. The program does nothing to deal with food costs, shelter costs, city transit costs, health care costs, the price of gasoline, insurance rates and on and on.

Mr. R. F. Johnston: Everything else is discretionary.

Mr. Foulds: Everything else is discretionary. The five per cent solution of this bill says the capacity of a day care worker earning \$17,000 to survive is as well served on an \$850 pay increase as somebody in the public sector earning \$40,000—about what an MPP earns—who receives a \$2,000 increase.

The percentage increase in itself is unjust. That is what is fundamentally wrong with wage restraints on a percentage basis. Given even a Tory philosophy, if the government really wants it to mean something, why did it not say, "Nobody gets more than \$1,000"? What did it do? It went for percentage increases that continue to distort the income differentials and do nothing to redistribute wealth in this province.

Mr. Martel: Have you got to the doctors yet?

Mr. Foulds: No, I am saving the doctors. I have lots to go.

Mr. Martel: Don't leave the doctors out of this—the chosen ones, the anointed group.

5:20 p.m.

Mr. Foulds: In these percentage solutions, we have six and five at the federal level and some talk of seven by the private sector fat cats I mentioned a while ago.

It reminds me of the movie about Sherlock Holmes that was called the Seven Per Cent Solution; it was a seven per cent solution of opium. I want to say, if it is not reaching too far, that the imposition of percentage wage controls in 1975 and the imposition of percentage wage controls in Ontario in 1982 while doing nothing in any other sector, like opium, will become addictive. Every time you do it, it will become easier, and that is one of the fundamental reasons we are going to oppose this legislation tooth and nail.

But these are just the surface indications of injustice. While even in the public sector people are held to a mere five per cent, medical doctors, starting on a much higher base, are not held to any percentage. I think this underlines the hypocrisy and double standard of the program. I do not believe the Leader of the

Opposition can be serious when he says that he supports the program but that it does not go far enough and he would like it to be tougher and go longer. The program is fundamentally unjust, and I thought liberalism, in the 19th century at least, was simply about injustice.

The government is saying to public sector workers: "You are not reasonable people. We cannot talk to you; we cannot negotiate with you; we cannot consult with you ahead of time. What you need is legislation to tell you what is good for you." But with the doctors, the Premier happens to phone just an hour or two before he comes into this Legislature and says, "Fellows, will you come in and talk about it with Larry?"

If they can say that to the doctors, why can they not say it to teachers? The Minister of Intergovernmental Affairs (Mr. Wells) was able to do that when he was Minister of Education. Why can he not say it to workers in the public sector? Why can he not say it to children's aid society workers, to nurses and to hospital workers? He can say it to 15,000 doctors who get \$1.2 billion, but he cannot say it to the 52,000 and the other 500,000 people beyond that.

They can say that one group of people is reasonable, that there is one group of people they can talk to, consult with and negotiate with, but the other group has no consultation or negotiation rights. What kind of nonsense is that? Ordinary people are beaten into submission by this legislation, but those who set their fees and those the Minister of Health (Mr. Grossman) succumbs to can make submissions to the cabinet.

Very simply put, this is a piece of class legislation that makes ordinary people suffer under oppressive laws but lets the privileged, well-to-do corporations accumulate wealth almost at will.

Yet with this single piece of legislation the government wants to ignore the responsibilities it has already entered into, to break contracts and to tell 500,000 people in Ontario that their government can no longer be trusted. The government is breaking its word, breaking a contract; and, as Robert Bolt had Sir Thomas More say so well in *A Man For All Seasons*, "Once you do that, once you break your word, you have cut down the law."

That is what the government is doing with this piece of legislation. It is cutting down the laws of this province, the laws of collective bargaining, the laws of the Labour Relations Act. It is cutting those down and saying they no longer apply. Once it does that, it breaks its trust and it

is soiled. Its integrity slips away as surely as if one is cupping water in one's hands and one opens one's fingers: the water slips away, and one can no longer take it back or retain it.

We will not trust the government any more. I believe the people of Ontario may accept it, because it is playing on the politics of fear rather than the politics of hope. It is playing on the politics of fear rather than the politics of fairness. It is threatening people who are already vulnerable and threatened. Yet I admit that in this political world in the 1980s, the people may accept it and they may even, God forbid, re-elect it, but inside they will never trust it again the way it once had their trust.

That is not merely a loss for the Progressive Conservative Party and the government; that is a loss for all of us and for the political processes and for this Legislature, and that is why this party will not accede to it in this chamber while we have breath to fight it. This party is well known as a Socialist party, and we are very proud of that, but at its fundamental core and at its roots, this party is also a democratic party. It is because this piece of legislation is an attack not merely on collective bargaining rights, not merely on unions, not merely on workers, but on democracy itself as it has evolved here in Ontario that we feel so strongly about it.

Finally, we see what the Tory government is all about. It is what Frank Underhill once called it, "Government of the people, by the lawyers, for big business." But the iniquity does not stop there. This legislation proposes to eliminate for the duration of the legislation a fundamental human right. It proposes to limit the right to strike to nonmonetary matters. What does it do? We talk about collective bargaining rights, and the Liberal Party likes to talk about big labour. What are collective bargaining rights?

Mr. Bradley: They are what the Saskatchewan NDP government cancelled before the last election.

Mr. Foulds: And the Saskatchewan government paid for it. If I may say so, the Saskatchewan government paid for it rightly.

Now, what are collective bargaining rights?

An hon. member: Are there any Liberals in Saskatchewan now?

Mr. Foulds: Where are the Liberals in Saskatchewan? Where is the Liberal Party west of Kenora?

Mr. Conway: We have Hazen Argue.

Mr. R. F. Johnston: And you are welcome to him.

Mr. Conway: Morley says you are all the same.

Mr. Martel: So did Phil Givens. And what was that other fellow's name? Vern Singer.

The Acting Speaker: Order. The member for Port Arthur has the floor.

5:30 p.m.

An hon. member: Vern Singer went for \$43,500.

Mr. Foulds: Mr. Speaker, the last interjection indicates that senility can hit anybody.

Now if I can be serious for a moment, let me get back to the point. What are collective bargaining rights? They are not the rights of a big union; they are not the rights even of a small union. Collective bargaining rights, very simply put, are the rights that individuals have together; they collect them and pool them because they know that without solidarity, without unity, without collective action they have no power. Collective bargaining rights, very simply put, are the only way that small people, little people together can get some bargaining power, can get some leverage in our society; and the government is taking it away from them.

That is unacceptable in a democratic society. It is destructive. The Tory government has decided to limit the rights of some individuals through legislation, singling them out from society as a whole. It is unfair, undemocratic and vicious. It says to workers in the public sector that they are untrustworthy, that they are determined to act against the public interest. What kind of government is it that can attack its own employees with such a total disregard for human rights and such a total disregard for the value of those employees to society? What kind of government is this that treats one part of our society, one group of its people, with a sledgehammer while it allows another group, the medical doctors, to discuss its problems with a friendly cabinet?

For me, and for my colleagues as well, the most depressing part of the package before us is this very simple fact: There is absolutely no evidence here, no evidence was produced in this House, no evidence was produced at the briefing sessions of the various caucuses and there is no evidence anywhere in the free and democratic world that says this kind of measure can turn a failing economy around.

I want shortly to deal with some specific measures that do fall within the legislative competence of this government, but first let me

deal with the whole problem of purpose and determination.

Why is it that the government decides that belt tightening must be the order of the day? That is one question. But even if they decided this, why do they decide that one sector must get strangled by that belt tightening whereas other sectors, even the so-called regulated sectors, are not to be strangled by that belt tightening and can pass their costs through?

Every single pulp and paper worker in my constituency, every single steel worker, every single Canadian Union of Public Employees worker, every single worker in the hospitals in my community, every single worker in my community in 1982 would be very happy to take a five per cent top-up on being able to pass through his costs. Certainly most union settlements have been running well below inflation plus five per cent. They give inflation plus five per cent to the gas companies. I know people who would love to be able to pass through the increase in their mortgage costs, food prices, clothing costs, taxes—pass them through plus five per cent.

No wonder it is good enough for Darcy McKeough. They would be delighted to do that.

But what did they say? "The objective of government must be to unite people, not to divide them. The objective of government must be to bring people together to deal with our economy, not to select scapegoats."

Finally, "The objective of government in situations like this must be to create a social contract, entered into in a spirit of fairness and justice, in a spirit which says that if there are to be sacrifices, they must first be made by those most able to afford them."

With the draconian measures in this legislation, the government has undertaken to do just the opposite: punish the few and especially punish those already unable to make ends meet. In such an atmosphere, what they do is they generate distrust, they generate cynicism, they generate opposition and discord, the reverse of what should be done.

As an alternative to the government's action, we in the New Democratic Party have proposed a program for recovery and renewal. We call it jobs and justice. There are just four essential points to that program. First and foremost, the top priority of any government must be to eliminate the unemployment problem, to create and protect jobs.

We saw plant after plant and mine after mine closed in the spring. We raised the question of

SKF, SCM, Inco, Falconbridge, CCM, the auto industry, time after time in this Legislature; and they did nothing, nothing.

I want to talk about the public sector. We could immediately build 15,000 new rental units by issuing housing development bonds. We would create 33,000 jobs and, much more than that, we would be creating housing which is much needed in this province and would be available for people on the lower end of the income scale.

Second, we could have a major energy conservation and retrofit program which could provide 20,000 jobs. The removal of the sales tax on building materials and machinery combined with accelerated public works could provide stimulation for our economy. Many local economies, from Brantford to Thunder Bay to Sudbury, could be stimulated in such a way.

For the private sector, there could be an extensive program of renewal through a crown corporation in auto parts and expanded food-processing facilities. For years, my colleague the member for Sudbury East and my colleagues the members for Lake Nipigon (Mr. Stokes) and Algoma (Mr. Wildman) and I have been pressing the government to create a mining machinery program. If they had that in place, at least some of the impact in the northern communities such as Sudbury would be lessened. The economy would be diversified. They failed.

I remember the Design for Development programs in the late 1950s. In the early 1970s they failed to take advantage and they failed to diversify, not merely the economy in the province but the regional economies of this province.

Next, through a forestry and pollution abatement program, we could increase employment and be achieving some useful social aims. More than that, we could be leaving a heritage to our children that would be worth leaving. What we are leaving to them after this Tory government is bankruptcy. But all one can do in a bankrupt situation is bring in—

Mr. Elston: Do you suggest we spend our way out of bankruptcy?

Mr. Foulds: It is better to spend your way out of the problem, my friend, than strangle your way out of the problem, which is what the Premier and his friends in Ottawa would do. That is what they want to do.

Mr. Cunningham: Live it up in the 1980s; we can always live it down tomorrow.

Mr. Foulds: Those interest rates—no, I did not mean to deal with that in this section of the program.

Mr. Martel: That is the basis of the problem.

Mr. Foulds: I was not going to deal with this section, but I did find it passing strange that the Leader of the Opposition (Mr. Peterson) could speak for as long as he did and not mention at one point the problem of interest rates. He could not release himself from the phone calls from Senator Keith Davey and Gerald Bouey to talk about interest rates.

5:40 p.m.

Our program calls not for spending our way out of the depression, but for a fair sharing of the burden and a stimulus for the economy. It may be fine for the provincial Liberal Party to ignore the problems of housing, mortgage rates and interest rates but we would like to see, and I do not think it is that difficult—after all a few other provinces in this country have shown that they can do it, provinces of all political persuasions it would seem—

Mr. Wildman: There are no Liberals.

Mr. Foulds: There are no provincial Liberal governments, are there? And what we have in Ottawa is a sort of reborn Social Credit movement.

What we would like to do is provide a mortgage assistance program for persons earning less than \$32,500. We would provide \$50 million in assistance for small businesses and farmers to meet the problem of high interest rates. We need to roll back sales tax increases. We talk about a five per cent solution. The Treasurer put a seven per cent increase on many items at one fell swoop in the budget. Seven per cent; does it get rolled back to five? No, it is already announced in the budget.

We would put a two per cent surtax on taxable incomes over \$40,000, that is a surtax on those earning in gross income roughly about \$50,000; reintroduce the land speculation tax; and tax the top three per cent of estates, excluding farms. All of these measures would ensure that the pain of economic recovery would be shared by society.

Third, I would like to see this government do more than engage in symbols. I would like to see this government trim the waste in government. First of all, I would like to see a public inquiry into Hydro spending and cost overruns. I would like to see us mothball Trillium Exploration Corp. We should cut government advertising. We should cut those consulting costs.

I have forgotten the exact details, but they

had a computer expert in here for two days to whom they paid \$25,000 per day; \$50,000 for two days work, plus expenses.

Mr. R. F. Johnston: Long days.

Mr. Foulds: Long days. That kind of nonsense has to stop. Let us look beyond cancelling the high-speed jet for two water bombers. As a person from the north who has some interest in natural resources, I find it mildly ironic that a jet is traded in for two water bombers after the rainiest season in history. The Minister of Natural Resources (Mr. Pope) says, "Well, if we cannot use them this year, maybe next year or the year after." We should either have had them all along when we faced the droughts or I feel there is just a little bit of symbolism here.

How much of the expense-account living of senior public servants can really be justified? How much can the gas-guzzling limousines this government has be justified? Who are they available to? Let us ask once and for all, are there not alternatives to the cutbacks they are imposing? Let us give government a lean and hungry look. Let us not give our working population that lean and hungry look.

Finally, our party has proposed measures to fight inflation in necessities. The government could freeze Hydro and home heating fuel costs for eight months. It could freeze public transit fares for one year without affecting service. It could, and has the authority to, freeze the tax on gasoline at the current dollar value for one year; it could abolish the ad valorem tax. It could maintain the rent review program that is so desperately needed by many tenants in this province.

This government has the power to limit the price spread on essential food products between the farm gate and the supermarket. This government could ban extra billing by doctors. It could roll back the Ontario health insurance plan fee increases. Finally—and we come back to it again—it could remove the sales tax on low-priced meals.

These are all measures that could create jobs, help our economy to recover and convince all the people of the province that a unified effort can bring us into a stronger and more prosperous future.

This government also shares the burden, but it shares the burden by devolving its responsibilities. This government refuses to meet the commitment John White made years ago that the transfer payments to municipalities would keep pace with the cost of inflation. It was called the Edmonton commitment, was it not?

Those were heady days. Those were days when the Ontario Treasurer gave his word to the municipal bodies of this province that they would maintain transfer payments at least at the cost of inflation.

But where has that promise gone? We have the Minister of Municipal Affairs and Housing (Mr. Bennett) saying, "You are not going to get anything this year." We have the Treasurer (Mr. F. S. Miller) putting the sales tax on supplies, machinery and equipment bought by municipalities. We have the minister of housing, etc., refusing to give a commitment in this House today that he would at least give increases that made up for the money the Treasurer was taking out of the pockets of the municipalities and that he was—

Interjection.

Mr. Foulds: What?

Mr. Breagh: He stole the money out of their pockets.

Mr. Foulds: And that he was expanding into their tax bases.

I just want to wind up by saying that the New Democratic Party program, as outlined yesterday and as I have detailed a few of its highlights today, is a program that is the reverse of the government legislation. Our program is fair, it is just; and in contrast to the Liberal-Tory alliance it has a simple saving grace: it is not guaranteed to work but it has a chance of working. The government's program, its alliance, is a recipe for disaster.

In 1863, I believe it was, Abraham Lincoln concluded the very memorable Gettysburg address with a label about democratic government that has enriched mankind and has sounded with resonance in the political forums of the world: that democracy was government of the people, by the people and for the people. But what we have in 1982 under the Conservatives in this province and the Liberals in Ottawa is government of the government, government by the government and government for the government. What this legislation does is give us government by decree and government by bullies.

As I said earlier, the business of government is to protect the weak, not attack them. It is the business of government to protect workers, not slash their hopes and their incomes. It is the business of government to create jobs, not annihilate them. It is the business of government to be decent, fair and evenhanded. This government has dismally failed to do that. This

bill fails to deal with the serious economic circumstances of the province.

5:50 p.m.

Finally, I want to say that we in this caucus are going to fight this. We have fought the bill on first reading with the only weapon we had: we divided. We will fight this bill on second reading with every speaker this caucus can muster. We will fight this bill every clause and every step of the way in the committee hearings of this bill, and we will fight this bill on third reading because it is simply bad, unjust and unfair legislation.

I want to say that if, as it appears, we lose, we will fight this legislation on any forum we can find anywhere in this province from Kenora to Kingston, from Windsor to Ottawa, from Kapuskasing to the Niagara Peninsula.

Hon. Mr. Elgie: Mr. Speaker, the first comment I want to make is that the next time my friend the member for Sudbury East (Mr. Martel) has a problem with his throat would you suggest to him, sir, that he not call me because I do not intend to help him any more. I am tired of it. His voice today is so good he is heard so well throughout the room. What he says is not worth listening to but his voice is loud. I want it made very clear, sir, that my line is no longer available to him in case he has problems with that sore throat.

My only hope is that someone right behind him will get a sore throat quickly and then I will not do anything for him either.

I intended to go over the price control program the government proposes in the bill but in listening to the debate I felt that it is important for people to understand that although we all have to indulge in rhetoric, and we all have to do certain things in life, we should hear from each of us our views on the public policy issue we are trying to address in that bill, because really, that is why we are here.

I think there is a growing number of Canadians, by far the largest number, who honestly believe, as I do, that the key public policy issue facing society and governments today is inflation. From that key public policy issue flow all of the other problems. It does not mean that there are not issues out there in society that do not have to be addressed in some other way at some other time perhaps. But as I see it, the key issue facing governments today in this country is inflation. From it flow high interest rates; from it flow mortgage failures; from it flow bankruptcies; from it flows currency instability.

If we start with that basic premise, and I would submit that most people would agree with that, then we have to say to ourselves: "What does inflation do to each of us and what does it do in society that is giving us the problems?"

There are four effects of inflation, as I understand it, that are producing problems for you, for me and for the public out there.

First, is this ever-present fear of what is called "paper inflation." This is when inflation accelerates so rapidly that it goes out of control, currency collapses and there is social and economic disruption. Although we do not have very many examples of that in history, we do know that it has happened and we fear that it could happen again.

Second, we also know that going along with that is the fact that inflation badly erodes certain segments of society more than others. For example, those who rely on personal savings, those who rely on pensions, those who are on fixed incomes of any kind suffer very severely during periods of inflation. We have to be certain the public policy measures we introduce address those issues to help those people.

Third, and I suppose very important for the community and for all people in society, it erodes the confidence, stability and credibility of our credit system. Without that, we have the problems we are seeing today. Consumer purchasing power is gone. Interest rates are going up to protect the lenders in society. People are not buying because of the fear of future costs and whether or not their money will be worth as much. The credibility and the predictability of credit are gone and we somehow have to restore that credibility and predictability.

I suppose the fourth and most disastrous thing that happens with inflation from my point of view is the unemployment and the social disasters that flow from unemployment.

Frankly, the downturn in economic activity and the interest rate problems all are focused therefore on this single public policy issue: inflation. I think there is general agreement that issue has to be faced and dealt with.

I do not profess to be the world's authority on public policy measures one can look at but, as I see it, there are three public policy measures one can look towards to deal with the problem of inflation, and two of those have been in the forefront in this country for the past several years.

The first is a restrictive monetary policy,

which we have seen with the limitation on the flow of money and with high interest rates. The second is a restrictive fiscal policy, with government restraints and higher taxation to reduce the public's ability to purchase products. I think it would be no surprise to any of the members, and certainly it is not to me, that although the application of these principles has been varied from province to province and different parts of the country, I see no evidence that as a macro-economic tool it is doing the job.

Therefore, as people who have to try and solve these public policy issues, we must look to the only third alternative we have, and that is an incomes policy, a policy which endeavours through an incomes and prices control program to limit the upward income demands of people and the upward prices we are paying for products. I know that people have varying views on incomes control policies and it is not a very salutary thing to suggest to some people, certainly not to some Conservatives, not to some NDPers and not to some Liberals; but I do not see any other alternative.

What the government is proposing here is to deal with the problem in the only way we can as a province. That is, to deal with the public sector for, if one were to search one's soul and speak honestly, one would know there is no way one could have 11 different control programs throughout this country.

If there is to be a program that involves the private sector, it has to be a federal program; but we have an obligation, as public policy people given the mandate to deal with the issues facing us, to try to find solutions, to do something, and that is exactly what we are doing. We hope, and there is a lot of talk, that the private sector will follow suit. I certainly hope that is true and there may indeed be some evidence of it happening, but I also feel personally that if there is not good solid evidence it is happening in a very short time a federal program on a broader scale is the only reasonable alternative facing those in Ottawa.

I think that is the reason we are here today. That is the reason this bill is here today. It is to address the issue of inflation and the things that flow from it. But, of course, I would go beyond that because there has to be a day when controls are gone. I am one of those people who believes we have to reach a stage in our maturity when, after controls, we have to think about some new collaborative effort in society to bring people together so there can be some of the social

consensus on economic goals and other goals that has achieved some degree of economic stability in other countries. I feel very strongly that is the kind of initiative we will have to take in the long run if we are to overcome the

ever-threatening problem of endemic inflation. I ask members of the House to support this bill for the reasons I have given and look forward to hearing more of the debate. The House recessed at 6 p.m.

ERRATUM

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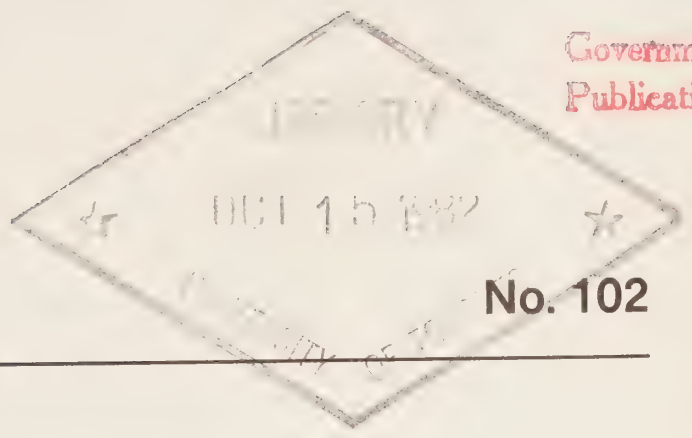
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Thursday, September 23, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, September 23, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT

(continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. J. A. Reed: Mr. Speaker, I would like to welcome the Treasurer (Mr. F. S. Miller) here for these next few minutes and to point out, as others have before me today, that we are dealing with probably the most critical bill and the most critical economic situation in Ontario since the turn of the last decade in 1970.

We rise in support of coming to grips for the first time in 12 years with the economic problems that have developed even more speedily during the last three years.

We should like to put on the record that the economic difficulties in Ontario have not surfaced only in the last year or six months, or even the last three or four years, but that they are the end product of what began in 1970 with the first deficit budget brought in by the Davis government and simply have compounded over the years until we find ourselves in a crisis.

It is very easy for us to stand here tonight and blame either the world situation or the federal government, because I believe, and I would also like to go on record as saying very strongly, that all governments have been guilty of falling into the trap, especially during the 1970s, of spending their way towards re-election from term to term. Money seemed to be without end, and all we had to do was bring in a no-tax or a low-tax budget a year or a few months before an election and buy our way through those areas.

I would like to refer to the last election of 1981. As we look back on it with the 20-20 hindsight we always have, at that time we saw a contest between my leader, Stuart Smith, and the Premier (Mr. Davis). I do not think the NDP was really in it.

There was a contest where one leader had the courage to go to the people of Ontario and say:

"Look, we are in trouble here in Ontario. We have slipped to 10th place in growth. Our economy is in trouble and we have to do something about it." The Premier of the province came back to us and said: "This is Dr. No talking. This is Dr. Negative." Then he went on to convince us all there was really nothing wrong with the economy and it was in good shape.

At that time he denied that there was any weakness in the provincial economy. Members will recall that he was quizzed about it time and time again by my leader and he simply denied it. After the realities of March 19, 1981, the Premier was known to go on record as saying the economy was in trouble, but it was all the feds' fault. We have gone on, from that time to this, blaming the federal government at every chance we get.

That may be good politics. It may be fine and it may be politically sexy to lay the blame on somebody else, but for the first time we have to come to terms with the fact that the economy is weak in Ontario. We are Ontario legislators and we have to do whatever Ontario can do in its role of governing this province to put us back on the rails economically.

In the last two years, members of the opposition parties have offered all sorts of ideas and suggestions to help with that economic recovery. As I said earlier, the economic problem was originally denied, then blamed on the feds. Now we see the first bright light, the first step, and that is the acceptance of the fact that we are there. We have no place to go but up, and we have to go there in the most realistic way we can. That is why we are supporting this bill.

As my leader said this afternoon, we see it only as a first step. It has to be coupled with a renewal of this province that will have its base in an improvement in productivity. That can happen in Ontario if we put our minds to it. To simply undertake a spending program and spend ourselves into heaven, as my Socialist friends on the left would do, will only run us into utter bankruptcy.

We have to come to grips with the reality. The reality has to come down to each and every citizen and individual. We must all bear a share

of the responsibility. The bill is only the first step. We see renewal as a priority for the second step. I can only generalize here tonight in this debate. We see items like the modernization of our industries; the gaining of confidence that will release new investments into this province; resource utilization, resources that are here in the province now and are being underutilized or not utilized at all, which can replace materials and goods we are bringing in from outside the province at the present time; the upgrading of research and development that can once again make us world leaders in industry.

As much as we might try to deny it, we are part of the global village. The export of goods to the rest of the world is vital to the future of Ontario. We have no other choice. We have to become competitive. Our productivity has to be such that we can compete in the world market. If we cannot do that, if we allow ourselves to become insular and isolated, then we are doomed to a downturn from which we may not recover for many years.

8:10 p.m.

I believe this economy can recover, but only if we attack it with a more broadly based program than is presented in this bill. The five per cent for 12 months is a good, solid start and a place we can jump off from, but we have to get into a renewal program and we have to begin it right away.

We have to get a grip on the post-control program that must face us at the end of 12 months. It will not mean anything for us to get into five per cent now for 12 months and then deal with the catch-up pressures at a later date. I hope the Treasurer has some concept of where he wants to go after the 12-month period expires. I hope his program does not relate to the never-never plan that has been proposed by the New Democratic Party, who would bankrupt us all if they had the opportunity.

There are an awful lot of things we can do besides imposing five per cent ceilings on wage increases in the public sector. I would like to deal with a few of them, because I think they are significant and rather symbolic of the kind of government performance we have had over the last 10 or 12 years.

I will leave the deficit to the financial experts, because perhaps they know more about it than I do, but in my portfolio as Energy critic and now as Natural Resources critic I have had exposure to some of the things this government has done over the last 10 years which in my view are absolutely appalling. In my view, they demon-

strate a total incompetence on the part of certain areas of government.

I would like to spend a minute or two talking about a couple of subjects. However isolated they may be, I believe they are symbolic of what may be going on in other areas of government. One concerns the cancelling of the order for the Challenger jet.

Mr. Piché: Just a minute now. Do you know what you have done by cancelling that? You have hurt norOntair. You have hurt the people in this province. You are totally against the north when you cancel the jet.

Mr. J. A. Reed: Obviously the member for Cochrane North wanted the jet.

Mr. Piché: I want to go on record that I will be speaking about the jet next week.

Mr. Speaker: Order. The member for Halton-Burlington has the floor. I would ask the member for Cochrane North to contain himself and stay in his seat. He will have his turn.

Mr. J. A. Reed: My party went on record a long time ago in opposition to the purchase of the Challenger jet. It is on the record for all to see. I expressed satisfaction with members of my caucus who fought that issue most vociferously. I only had a small role to play in the opposition to the purchase of the jet.

Interjections.

Mr. Speaker: Order, I would point out to the member for London North (Mr. Van Horne) and the member for Durham West (Mr. Ashe) that the member for Halton-Burlington has the floor. I have recognized him.

I think, as I have observed before, that if we are going to have free speech anywhere, surely we must have it here. By free speech I do not mean everybody talking at the same time, so we will try to regulate it and we will recognize once more the member for Halton-Burlington.

Mr. J. A. Reed: Thank you very much, Mr. Speaker. I must say it is difficult to make a reasoned and reserved speech in this House, but I am going to continue to try.

I would just like to begin on the jet issue with the—

Mr. Piché: Mr. Speaker, tell him to change the subject, because he is not going to be allowed to continue his speech.

Mr. Kerrio: Oh, there is a threat.

Mr. Speaker: Order. I think we must understand one thing. I am not going to tell anybody what to say or how to say it. I have recognized the member for Halton-Burlington. He is going

to address his remarks to the bill, I am sure, and I am sure the member for Cochrane North will have an opportunity to respond at the proper time. So we will try once again.

Mr. J. A. Reed: Thank you very much, Mr. Speaker. The spending of money, as far as I am concerned, should be considered a major part of the debate on this bill, and that is why I brought up the subject of the jet and the alternatives that were presented when the order for the jet was cancelled.

You will note that the government has now indicated it will be buying two CL215 water bombers from Canadair to replace the jet. "Two Water Bombers for Jet 'Good Deal,'" says the Minister of Natural Resources (Mr. Pope) in a headline in the Sun today, and I have no doubt that they can make a very valuable contribution to firefighting in northern Ontario. I am a little bit distressed that there is at least one member from northern Ontario on the government side who would sooner have the jet than the water bombers, but I should go into this just a little bit.

The Minister of Natural Resources said today that the purchase of these water bombers is a good deal. I would just like to read into the record a letter from the Deputy Minister of Energy in 1980 to Richard J. Frost, barrister and solicitor, 80 Richmond Street West, Toronto, in which he says:

"Dick: We have decided that the CL215, despite its obvious merits, is not an appropriate aircraft for us to add to our fleet of aircraft."

I would also like to put on the record that in 1981 my colleague the member for Victoria-Haliburton (Mr. Eakins) was asking the Minister of Natural Resources in estimates about adding to the fleet of CL215s, which, as he says, "have proven themselves in Quebec, Manitoba and other jurisdictions" because "they can swoop down and bring up a great amount of water" and make a very valuable contribution to firefighting. At that time the minister said: "We have thought of it. CL215s are used by some European jurisdictions as well to combat forest fires, and we had some discussions about their experience."

In 1981 he was still flim-flamming around and talking about CL215s, and in fact his deputy had rejected CL215s the year before. As a matter of fact, later on in Hansard the minister said they were talking about leasing a CL215 this year for the purposes of a demonstration water bombing. They had done the same thing about six or seven years before with the same type of aircraft

and had come to the conclusion that they should not be purchased.

8:20 p.m.

I happen to believe the CL215 is probably a good aircraft for the job for which it is intended. It would seem to me that firefighting in northern Ontario is a little more valuable than whisking cabinet ministers around from one airport to the next half an hour faster than with the King Air now available.

When the government talks about the spending of money and about getting itself into financial difficulty, then having to come along with rather draconian measures to get itself out of it, one has to look back at the decision and indecision. I have only used that nonsense as an example of the kind of decision and indecision that has gone on for years and years in this government.

I can bring up another example and I think I should. It concerns the decision, after five years of effort on the part of the Energy critic of the Liberal Party to get the government to acknowledge it, that small water power is a useful item and would make a contribution to the energy situation in Ontario. The Ministry of Energy, after some real effort, supported that concept.

About a year later, the Ministry of Natural Resources came along and supported it. If one looks at the strategic land use plans and so on, one sees that support, but to this day there is not one individual in the Ministry of Natural Resources who has the expertise to handle the development of small water power. As a result, investors who have wanted to invest for the last five years have not been able to achieve any results whatsoever because that ministry carries with it an incompetence in that development unparalleled in the history of this province. Money is being wasted right and left to carry on the trappings of competent government ministries when they really leave a great deal in question.

When the government is talking about impositions on salary increases and so on, I say to the government and the Treasurer they have to look inside each and every one of those ministries to find out just what they are doing with the personnel there. Some of them are excellent and are doing tremendous jobs in spite of themselves. It seems to me there is a tremendous amount of changing of priorities and a new look that has to take place inside government.

The five per cent imposition is on only 500,000 individuals in Ontario, which does not—

Mr. McClellan: Only? Tell us what you would like to do.

Mr. J. A. Reed: It is a large number of people but it does not encompass all the people who work. Our party, as early as July I believe, went on record as saying any kind of restraint program should be broadly based. It should include prices and wages and should predominate in the whole working area. We believe that today. If the government is going to get anywhere with the restraint program, it has to be very broadly based.

I am hopeful this bill will have a psychological effect on the private sector, but I am not that confident it will. I wonder why the government has brought in a companion bill enabling it to join a federal restraint program, because from what I can gather, no formal request has been made to the government of Canada to get into a restraint program. It seems to me there is an element of leadership there that is missing. It is an element of leadership, I am proud to say, that has been expressed by my own leader and he is to be commended for the stand he has taken.

Hon. Miss Stephenson: You weren't listening. Where have you been?

Mr. McClellan: Don't heckle your last buddy.

Mr. J. A. Reed: I am going to tell my Socialist friend that I know everything that is being done here and our support of this bill is not universally popular. I understand that. I also know I have no intention of playing loosey-goosey with deficits in the future the way his people would, and mortgaging my children through the next generation. I have no intention of doing that.

It seems to me we have come through—at least I hope we have; probably I am wrong, when I hear this Socialist diatribe coming at me and these interjections—the “me” generation. I hope we have reached the point as Canadians and as citizens of Ontario where we can stand together and say: “Look, we have a difficulty, it is not an impossible situation, it is a difficulty. It is a challenge and we have to pull together.”

I am particularly concerned about the people I know who are on fixed incomes and have suffered the ravages of inflation over the last decade or so. It becomes more and more difficult for them to make ends meet.

I am concerned with a declining industrial base that limits our ability to develop the kinds of social programs we need in Ontario and, believe me, if we are going to have adequate social programs in this province we have to have

adequate strength in the economy to pay for them.

My Socialist friends would live on the never-never plan for ever and run us into bankruptcy if they could. I know they will not get that chance. We will not let them get that chance, they can be sure of that.

I would like to get back to one or two priority issues that do not involve the jet. I would just like to comment on 65 jets. The cost of 65 jets represents the money that has been committed to Suncor.

The jet was a political symbol and it was all very nice because we could visualize the Premier riding around and using, as my colleague the member for Grey-Bruce (Mr. Sargent) has said, the padded-leather toilet seats and all that sort of thing. But the fact is, the purchase of 25 per cent of Suncor represents a commitment 65 times larger than the purchase of that jet.

What an impact that has had, coupled with the accumulated deficits over the years, on inflation in this province. I say to this government that when the caboose is going out of the station and one is trying to grab hold of the rail at the end, then it is the end of the line. These kinds of expenditures cannot be tolerated. We cannot afford them as citizens. We know that. For the first time, I think they know that now.

The Suncor purchase did nothing for us economically except bleed us. It did nothing to create any jobs and the Trillium Exploration Co.—let me see if I have that stuff here—is going to do nothing to create jobs in Ontario either. Can we afford that kind of expenditure, that kind of ego trip? I think not.

Mr. Stokes: That is not true. Lalonde says that as a result of the megaprojects 70 per cent of the jobs that will be created will be in Ontario.

Mr. J. A. Reed: Let me say to the member for Lake Nipigon, he is looking down the line to a time when most of us will be retired from this Legislature. We have to deal with the economic problems in Ontario today. We cannot deal with them 10 years from now.

He may be able to find a way to justify the expenditure of \$2.2 billion on Suncor. I cannot find a way to justify that expenditure and I do not think any thinking individual in this province can find a way to justify it. Even the Treasurer of Ontario, until he was cajoled into supporting it, could not find a way to justify the expenditure of that money.

8:30 p.m.

Mr. Piché: Watch what you say about the Treasurer; he is my friend.

Mr. J. A. Reed: The Treasurer is my friend too. As misguided as he is, he is my friend too. I have a lot of good feelings for the Treasurer.

The area of resource development is one that I have begun to learn about in my new capacity as Natural Resources critic. There is a law in the books that goes back, I believe, to 1970. I have a copy of it here somewhere. It says that all metals mined in Canada should be refined in Canada, with the exception of those that are exempted. The situation has become so bad that a recommendation was made some years ago to get rid of that part of the bill because it served no function at all.

Let me give a rundown on some of the metals that are shipped out of this country for refining. The Treasurer talks about developing secondary industry in the north and about trying to do something other than being hewers of wood and drawers of water. I believe we have great potential for that.

Hon. Miss Stephenson: Great potential to be hewers of wood and drawers of water?

Mr. J. A. Reed: The Minister of Education is an expert in this mining business, and she will give us a dissertation when she speaks on this subject. However, as long as I have the floor, I am going to go down this list.

Here we have percentages. In 1980, 17 per cent of our iron ore, 33 per cent of our lead and 28 per cent of our zinc was smelted outside of this country. I could go on and on; there are lots of other base metals that are mined in Ontario and smelted outside the country.

What does that say for our commitment to the development of the north? It says very little. What has happened is that in spite of a law that is on the books stating all our good intentions, we are capitulating at every turn because some economic argument persuades the minister to make a decision to exempt at some time or another.

Let me go into the area of energy alternatives. I say this because the member for Cochrane North (Mr. Piché)—there he goes back to his seat—will be very familiar with this.

I was in the town of Hearst last year, and I was impressed with what I saw. I went in and found, to my disappointment, that a majority of the town was closed down. The big lumber company had its gates locked that day. There was very little happening except the trains running through and one bright light. The bright light

was a processing plant that was taking forest waste, which is considered to have a negative value in the north, and turning it into an energy source—pelletized wood product—that was competing in terms of price with natural gas as an industrial fuel.

That said more to me than anything else. We have all this tremendous unused waste resource. As a matter of fact, when we talk about forest waste, there is so much of it in northern Ontario that it is considered to be a major impediment to reforestation. If one goes to western Canada, no such thing exists, because the companies there have to clean it up as they go and do something with it.

That company was using what then was waste as a potential energy resource. It has expanded its operations since that time and will continue to expand until the end of this decade.

It seems to me that this kind of imaginative thinking and creativity should prevail in any renewal program we have in Ontario. What we are doing is performing a function that does not cost in Ontario but makes a profit, because it generates and recycles money that is otherwise disappearing from this province forever. Every time we can take \$1 from moneys that are going out of the province and recycle it with resources that are inside the province, depending on the economist one talks to, we make from \$3 to \$5 back. Everyone in this Legislature knows that, and also that therein lies one of the great opportunities for renewal.

We propose to impose five per cent on one sector of the economy. We have proposed to do it because that is the area the provincial government has some control over. I would like to say to this government that we want it to press the federal government for a much more broadly based restraint policy, as proposed by my leader last July. We also want it to undertake a renewal program that will result in increased productivity and greater employment as well as a more competitive situation in the world marketplace in years to come.

It is not going to be easy. It is going to require the co-operation of every citizen in this province. It is going to require putting aside expectations, delaying expectations or retracting expectations that all of us have had during the past five, six or seven years. But if we do it, and do it with a will, we will succeed, and restore our strength in this country and our strength in the world market in a way that is expedient, in a way that is strong and in a way that will provide jobs

for all those people who are unemployed at present.

Mr. Wildman: What about interest rates?

Mr. J. A. Reed: The Socialists have asked me to talk about interest rates. Let me just say what I know from my limited knowledge. I know that Saskatchewan has brought in an interest rate subsidy program. I wonder whether my Socialist friends have any idea how that is paid for. I wonder whether they realize that if one subsidizes interest rates, one has to take the money from somewhere; it has to come out of something. In Alberta, the way it has been done just prior to election time, one takes it out of the Alberta Heritage Savings Trust Fund.

If one tries to do subsidize interest rates in Ontario, let me ask my friends where the money will be coming from to subsidize those interest rates. If they think for one moment that Ontario has the resources to subsidize a broad-based interest rate policy, I have news for them. The province, through its own mismanagement, has come close to bankrupting itself over the past 10 years.

Do my friends know that since we have had the member for Brampton (Mr. Davis) as Premier in Ontario, we have never had a balanced budget? Do they know that, prior to that time, there never was a deficit? Since that time we have had nothing but deficit budgets.

I say to the government, there is no other single thing in this economy that has become a larger contributor to inflation than that deficit budgeting. We have to come to terms with it, we have to turn it around and we have to bring it back. We have to provide political leadership and bring the people of Ontario with us. If we do that, we will recover. If we continue to fudge, as we have during the past three months when the Premier refused to make any definitive statement in terms of restraint, then we are going to run ourselves into even more serious trouble.

I suggest very strongly to the government not to listen to the Socialist never-never plan but to pay some serious attention to the views that have been put forth by my leader, the member for London Centre (Mr. Peterson). If they do that, we will go ahead to recovery.

8:40 p.m.

Mr. Cooke: Mr. Speaker, after hearing the speech from the Leader of the Opposition (Mr. Peterson) and then that collection of weird ideas from the last speaker from the Liberal Party, how can anyone take seriously a party that talks about a balanced budget when there is

10.8 per cent unemployment in Ontario and when, on the same day, the leader of the Liberal Party tells the government not to cut back transfers to municipalities, to increase money to hospitals, to lower tuition fees and to increase money to universities and colleges? They expect to be taken seriously, but these guys on my right are the biggest joke in my life.

How the leader of the Liberal Party could go on this afternoon for almost an hour and a half and not even mention Liberal interest rates is beyond my comprehension. The fact of the matter is that there are serious problems in our economy. We all recognize that. One of the serious problems is interest rates, another one is the Liberal Party in Ottawa and a third one is the Conservative Party in Ontario.

The two-faced, sit-on-the-fence approach of the Ontario Liberal Party is also beyond my belief. We have the member for Windsor-Sandwich (Mr. Wrye) doing interviews back in my home town criticizing the provincial program, saying it is no good, and then standing up in this House on Tuesday and voting for the program on first reading. We have the member for St. Catharines (Mr. Bradley) going out in front of the Legislature the other day and trying to convince the teachers that the Liberal Party of Ontario was really opposed to the provincial program. What a bunch of garbage.

What do the Liberals think the voters of this province are? Do they really think they are foolish? There may be people in some ridings who have followed that party for many years, but they are re-evaluating the party's position; they know where the party is at now. The Liberal Party will not be any kind of a party after the 1985 election; it is on its way out. The borderline where the Liberal Party exists no longer will be the Manitoba-Ontario border; it will be the Quebec-Ontario border.

Back to interest rates for one second: The fact that the Liberal Party said nothing about interest rates today, as I said, is rather unbelievable. But when I take a look at the donations to the Liberal Party in the 1977 provincial election, I find that in my own riding, for example, \$500 was given by the Canadian Imperial Bank of Commerce to the Liberal candidate and \$500 to the Conservative candidate. To me, that sums it up, because the only institutions, the only people that benefit from high interest rates are the banks and the bank shareholders.

I want to talk about this government's program and this government's record, certainly

not of leadership but of economic failure in Ontario.

It was only a few months ago, on May 13, that this government brought down a budget. This government's record is one of neglect to this province, and it has consistently taken a political approach to very serious economic problems when we really need an economic planning document for Ontario.

Mr. Brandt: The Socialist master plan; it doesn't work anywhere else, and it won't work here.

Mr. Cooke: The member for Sarnia should go back to his riding or maybe to the neighbouring riding—the good mayor of Chatham is here today; the member should go to Chatham—and tell the people who are unemployed there that his government's laissez-faire attitude towards the auto industry, for example, is sufficient. Let him tell them that.

The refusal on the part of this government to accept that there are any structural problems—

Mr. Shymko: Are you going to tell us Bob Rae's solution? What do you think of the French Socialists' solution? They've slapped wage controls on everybody.

Mr. Stokes: What about your Socialist BILD program?

Mr. Cooke: Mr. Speaker, the member for High Park-Swansea (Mr. Shymko) gets up here all the time to make his speeches and raise his points of privilege about the countries in the eastern bloc. We have talked about the problems in Poland, as he has as well, and what is his government doing? His government is taking the right to strike away from 500,000 organized workers.

Mr. Shymko: Don't insult Solidarity and don't compare this government with the one in Poland.

Mr. Cooke: He should be ashamed to be part of the party and the government he belongs to.

Mr. Shymko: You should have enough brains not to make such a stupid comparison.

Mr. Cooke: It is not a stupid comparison at all.

Mr. Foulds: It is not all right to defend trade unions in Poland and attack them here. Don't be so stupid yourself.

The Deputy Speaker: Order please, the member for High Park-Swansea.

Mr. Cooke: One of the most amazing facts of this government's approach to the economy is that it refuses to recognize that there are very

deep-seated structural problems within the economy.

I remember back in 1978, just a year after I was elected, I got a phone call from the Chrysler United Auto Workers local about the closure of the truck plant, which meant 750 jobs were lost. That was the real beginning in Windsor of the depression that has struck that city and has continued to dominate the lives of thousands of families for going on four years now.

The government ignored the problems in that city, it continues to ignore the problems in that city, and as of today hundreds of people have lost their homes.

The city treasurer indicated to me today, as he did in front of an arbitration hearing dealing with the firefighters in Windsor, that there are now 1,100 homes in Windsor that are three years in tax arrears and could be confiscated by the city of Windsor.

In my view, there is nothing that symbolizes a depression—and that is what we are in, a depression—more than people losing their homes to the banks and the mortgage companies and people losing their homes to the city because of tax arrears, but that is the state of affairs in Windsor.

There are still 19,000 people unemployed, and hundreds more want jobs. The housing market has collapsed, and the welfare budget now is up to \$17 million a year. Thousands of people have left the city. This government's neglect, for me and thousands of other people in my city, is simply unforgivable.

The depression has spread to many other communities in the province: Chatham, St. Thomas, Peterborough, Hamilton, Sudbury, the whole Niagara Peninsula. There are literally thousands of people, more than 600,000, who want jobs in this province.

Over the summer break, I saw a news clip on one of the television stations that showed hundreds of people applying for jobs to work at the Western Fair in London. It was amazing. Hundreds of skilled people—some of them registered nurses, some of them skilled trades people and some of them university graduates—were lining up for jobs at the Western Fair, for just a few days or a few weeks of work, at probably the minimum wage.

Yet I still hear some of the right-wingers in this province and in my city say that if a person wants a job, he can find one. The fact of the matter is that there are thousands of people unemployed and those people want jobs, not welfare or unemployment insurance.

In London, a radio or television station—I believe it was TV—put on a show where individuals could go on the show and advertise their skills to try to connect with a potential job within the community. There were people who lined up for three, four and five hours to have 30 seconds on radio or television to advertise their skills to get a possible job.

The same thing happened at the Canadian National Exhibition in Toronto. There was a news clip, I believe on the Canadian Broadcasting Corp., that showed people with community college certificates and university degrees and all sorts of other people who simply wanted to work. They waited, applied and got jobs just for a few weeks because they felt those jobs were better than nothing and they were the only alternative to being on welfare or unemployment insurance. A job for three weeks was better than no job at all.

8:50 p.m.

I think it is worth repeating. Contrary to what some people in this government believe, people do not want handouts; they want jobs. This government must show leadership and develop an economic strategy to create those jobs. Instead, this government's strategy has been to bash the federal government and take no action of its own.

The result? When this government was re-elected in March 1981, unemployment was 289,000 or 6.9 per cent. A year later, in March 1982, it had gone up to 346,000 or 7.7 per cent. Now 489,000 persons or 10.8 per cent are officially unemployed. That is an increase of 200,000 or 70 per cent in the number of unemployed in the province since this government was re-elected. That is the reality of March 19, 1981.

My deputy leader ran through some of the communities and their unemployment rates, but I think they bear repeating. In Sudbury it is 27 per cent. I know what it was like in the city of Windsor when we had 21 or 22 per cent. I would suggest the real unemployment rate in Sudbury is probably closer to 40 per cent. With 40 per cent of the people in Sudbury unemployed, one can predict what the effects on that community are going to be. It is a one-industry town and its situation is made worse by the fact that it is a northern town, more isolated than some of the southern cities.

This government sits back and gives all sorts of excuses why it cannot act. The member for Sudbury (Mr. Gordon) gets up and blames the federal government for not creating a mining

machinery industry. Yet this government has within its own power, its own jurisdiction, the ability to create that industry in northern Ontario in the Sudbury basin. The neglect in the city of Sudbury is simply disgraceful. The number of lives and families this government is destroying by its inaction is unforgiveable.

In the city of Ottawa, where to a large degree there is dependence on the federal civil service, unemployment is officially up to 9.5 per cent. In Oshawa it is 11 per cent and in Hamilton it is 13 per cent. In St. Catharines it is 12.4 per cent and in Thunder Bay it is 10 per cent. In London it is 11 per cent and in Kitchener is 11.7 per cent.

There are 221,000 unemployed women in this province, or 11.2 per cent. I think it is safe to say that if one included the number of women in the province who would really like to have jobs, but who are not in the work force because they have given up or because they know the chances of going and looking for a job and finding one are very remote, unemployment among women in the province is probably 20 per cent or higher. I do not think that is an exaggeration.

Youth unemployment in this province is 202,000, or 16.1 per cent. This government's only response to youth unemployment at this point is to put out a document indicating the potential social ramifications of youth unemployment. The member for Brantford (Mr. Gillies) seems to indicate the social ramifications are more intense or more potentially violent among certain races within our community and our province than they are in other races.

Hon. Miss Stephenson: That is inaccurate.

Interjections.

Mr. Cooke: The fact of the matter is, whether one is black, white or whatever, if one is unemployed and young and one feels there is no future for one in this province or in this country, one becomes very frustrated and there is the potential of real trouble in Ontario, again because of the neglect of programs on the part of the province.

If the member for Brantford was misquoted, perhaps he should have got up in the House on a point of privilege and clarified the situation. He had the opportunity.

The statistics on permanent layoffs of 50 or more employees from January to April of this year reveal that 133 establishments had 11,929 indefinite job layoffs or jobs eliminated. From January to the end of July, the figures are up to 215 establishments and 21,611.

Yet with all this, in his May 13 budget the Treasurer (Mr. F. S. Miller) claimed, "While the last few months have been difficult, there is now strong potential for the economy to follow a recovery path throughout the rest of the year." What a joke. With all the inaccuracies in his budget and all the projections that were so totally out, whether we are talking about the deficit, job creation or the growth in the economy in the second half—and none of those was accurate—I suggested in the House the other day, and I think it is a legitimate request, that he should have resigned his position, because that budget was completely out of touch and out of reality.

Interjections.

Mr. Cooke: The member for Nickel Belt (Mr. Laughren) makes a good point. With that budget, there was no way the Treasurer could possibly have miscalculated his projections that way. He had to have done so deliberately and to—

Hon. F. S. Miller: Mr. Speaker, on a point of privilege: That is not so.

Mr. Laughren: If that is not so, then you are incompetent.

Mr. Cooke: Yes, that is the other alternative: he is incompetent. He had better look at some other staff and put together a decent budget that looks at the real world and not the world he likes to believe in.

Let me go on with some quotes from the Treasurer's budget. I quote again directly from the Treasurer's budget.

Mr. Stokes: Why doesn't he try selling used cars?

Mr. Piché: That's not nice.

Mr. Foulds: This is not a time for being nice.

Hon. F. S. Miller: You guys couldn't sell ice cream to a kid in Toronto.

Mr. Stokes: Not with the seven per cent you put on.

Mr. Cooke: That is right. Quoting again from the May 13 budget: "Because of these factors and actions, the Ontario government should strengthen during the balance of the year. Employment by year-end should reach 125,000 over current trends. Real growth in the GPP in the second half of 1982 should be four per cent on an annual basis."

As of September 10, when the last Statistics Canada figures came out, the number of people employed has decreased in the past 12 months by 162,000 jobs. From January of this year until

September 10, when the statistics came out, 117,000 jobs had been lost. Just from the time his budget was introduced until the end of August, we have lost 102,000 jobs in Ontario.

The reality of the situation is that if one adds 102,000, the jobs lost from the time the budget was introduced, to the 125,000 he projected would be created, we have a total of 227,000 jobs that must be created before the end of the year to reach the Treasurer's projections.

At the same time, 94,000 new people have entered the labour force. Just to get back to where we were a year ago, that means 256,000 new jobs have to be created—and even at that time we were in a recession.

To return to the budget: "The Ontario government strongly believes that policies for job creation must be an urgent priority."

On September 21, 1982, the Treasurer's statement on the wage control program said the jobs would be coming some time in the future. If, in May, job creation was a priority, for God's sake, with an unemployment rate now of 10.8 per cent job creation has to be a top priority more than ever.

9 p.m.

Turning again to the document filed with the Legislature on May 13 and that tried to pass as a budget, I quote again: "Although the Ontario economy has been experiencing a cyclical downturn, the prospects over the next 12 months are more promising. Later this year, a recovery is expected to begin."

On May 13, the Treasurer of this province described the economic situation in Ontario as a cyclical downturn in the economy. But between May and September 21, something happened to turn it from a cyclical downturn to an economic crisis, something that resulted in a complete policy flip-flop on the part of the provincial government and that demanded, as the Premier (Mr. Davis) said, "leadership on the part of the federal and provincial governments."

Let me suggest that the thing that changed between May and September was that the polls the government took indicated the six and five program of the federal government was popular and they decided to capitalize on that program.

The only other thing that happened at that time was that the Treasurer began to realize how inaccurate the projections were for his budget, so he decided to bring in a program that did nothing to create jobs but did something to help balance his budget. We all know that a Tory government, especially a Tory government with a Treasurer named Frank Miller, is

preoccupied with attempting to balance the budget rather than creating jobs and providing essential services to the people of this province.

What we need in this province is not a government that is willing to follow public opinion, but a government that is willing to lead.

What we had on September 21 was no new budget, no new job creation program, but simply a program that brought in wage controls for 500,000 employees in Ontario.

Let us go back to the beginning of the summer when the federal government brought in its budget. The federal finance minister at the time, Mr. MacEachen, that loved and admired Liberal, asked provincial governments to bring in programs in line with the six and five the federal government was trying to convince the people of Canada to support.

At that time, the Treasurer and the Premier of this province said they would consider the proposal. They considered the proposal; they had a cabinet meeting and then they had another cabinet meeting. I am sure they were taking polls every week, during all of that time, to find out how the people of the province felt about this program.

Finally, in the middle of September, the government decided it was time to act. It was time to act because the Tory polls were also indicating that the Premier was beginning to become unpopular and to be perceived as a Premier who was providing no economic leadership. We here all knew that. We have known that for 10 years.

The people of this province were beginning to focus on provincial responsibility for the provincial economy. So this government decided it had to bring in a program. It brought in one that would fit in with the polls, one that would get them votes but would not necessarily turn the economy around.

Mr. Piché: We have 70 seats. How many seats do you have?

Hon. Miss Stephenson: Why don't you just get a shovel and shovel it out there?

Mr. McClellan: There is doctor BS with a recommendation.

Mr. Cooke: If there is anyone who can shovel it, the member who used to be the Minister of Labour and screwed up that department, and is now Minister of Colleges and Universities and Education, can shovel it better than all 124 of us put together.

Mr. Speaker, I would like to just quote from a couple of columns, because I think the columns

that were in the press across the province during the period of indecision by this government very much demonstrated how many people in this province were feeling. I am going to quote from the *Globe and Mail*, dated August 30, 1982. It was shortly after the premiers' conference and the columnist is Orland French. I am just going to quote the last few paragraphs:

"Mr. Davis governs, with political success, by reactionary management, not leadership. In this year's major national debate, how to achieve economic recovery, Mr. Davis has yet to spell out what he thinks.

"More than two months have elapsed since the federal government first begun enunciating its proposal for a six and five per cent restraint program. Mr. Davis has neither accepted nor rejected that idea.

"Ontario's public civil servants have no idea what the Ontario government has in mind for them. Nor do schoolteachers. Nor do the police. Nor do municipal councils. Nor do boards of education.

"Concluding his statement to the premiers, Mr. Davis said, 'Together we have a moral responsibility to serve the people of this country.' Part of that responsibility, one might humbly suggest, is showing leadership on a crucial national issue."

I would also like to quote from my home town newspaper, the *Windsor Star*, and the columnist, John Coleman. He begins by quoting the Premier, and I guess the exchange took place in a scrum outside a cabinet meeting:

"Reporter: Does your timing of telling us what you will do have anything to do with what Trudeau does?

"The Premier: I leave it up to the people who speculate when they write.

"Reporter: We have to speculate. You do not tell us a damn thing."

Mr. Speaker, I will quote from the text of this column:

"The provincial government is heading towards a restraint program, stuttering and stammering all the way to the inevitable announcement. In a nutshell, the above exchange between Premier William Davis and a reporter this week in Brampton gives you an idea of what it is like to get information on government plans. Davis is well known for being a noncommittal sort of fellow but, in leading up to a response to the Ottawa six and five restraint program, the Premier has really outdone himself.

"For two months Davis has fudged and talked in circles about the need for restraint, some-

times saying wage controls aren't the whole answer and sometimes saying they are part of the answer. All of this hedging comes from a man who told fellow premiers last week that what we need is clear and forceful leadership in a time of economic recession."

The column concludes by saying: "Davis told reporters that today's economic problems weren't created in 48 hours and they won't be solved in 48 hours. 'We will do it in our own way and our own time,' said the Premier and on that point the Premier was at least very candid."

I think these columnists really demonstrate what I feel, and what nearly 700,000 unemployed Ontarians feel, that this Premier has lost touch with the people of this province. He has never provided leadership for this province and he is neglecting the people, who are almost up to a million in this province, when they need him most.

Mr. Piché: Enough is enough. Next speaker, please.

Mr. Cooke: The member for Cochrane North will have his chance. We all look forward to his first speech in the Ontario Legislature. I am sure it will show about as much intelligence as his interjections. I can understand why the member does not take this whole debate very seriously. If the 689,000 people who are unemployed had the kind of money he has, they would not worry about having their wages restrained. They would not worry about their incomes being restrained. Why does he not sit in this Legislature and take a debate seriously for a change? We are talking about the economic future of this province.

9:10 p.m.

From the whole summer of indecision we went on to the premiers' conference that was held in Halifax. Let me quote from the Premier's statement to that gathering of premiers.

"During the past year, we as provincial premiers have shared a common frustration with the serious lack of leadership demonstrated by our federal government in shaping a national economic recovery." If the Premier of this province felt frustrated with the Prime Minister of this country, I would like to ask how the government members felt and how the rest of us on this side of the House felt about the lack of leadership on the part of this government and its Treasurer in face of the serious economic problems we have suffered for going on three years. What did the government do? What did this government suggest?

Over the last year, we have heard the Premier

change his position on interest rates on at least two occasions. We have heard the Treasurer change his position on interest rates at least three or four times. Then they say they are fighting for lower interest rates.

Double messages have been provided to the federal government by the leader of the largest province in terms of population, the largest province in terms of manufacturing and the province that has been hit hardest by Liberal interest rates. The only proposal that this government put forward to the premiers' conference was that interest rates should be lowered, more in line with the lower American interest rates.

That simply is not good enough. That simply would do nothing to turn around the auto industry. It would do nothing to turn around the appliance industry. Interest rates in the United States are still too high and interest rates in Canada are even higher.

The solution to the interest rate problem, and one that we have asked the Premier and the Treasurer to endorse, is to demand that the federal government instruct Mr. Bouey to lower the interest rates unilaterally. The federal government will take whatever other action is necessary, and if that means controls on the outflow of capital then that is exactly what will have to be done.

High interest rates are simply destroying this country and the Liberal high interest rates, supported on most occasions by the Conservatives, and with no alternative offered by the federal Conservatives, are simply destroying the manufacturing sector and destroying individual lives.

What did the Premier suggest we should do about the auto industry? I will quote his suggestions for the auto industry. "The Canadian government should act with great determination to ensure that Canadian interests are recognized in any settlement of current international trade disputes in auto, steel and agricultural products." That is motherhood, but that was the proposal that the Premier of this province, where 95 per cent of the auto industry resides, put forward to the premiers' conference.

What does it mean? Do they really think the Canadian government is going to act with no determination in the negotiations? Do they think they are going to go in there and say there are no restrictions? What is the long-term solution to the auto trade problem? Does the Premier and this government support content legislation that says to the Japanese, to the

Americans, that if they want to sell their cars here they have to have at least 85 per cent Canadian content, and that they have to achieve, eventually, 100 per cent Canadian content? That will create jobs in this province, that will get the economy moving.

Even in this time of recession it would create thousands of jobs. Instead, the Premier goes to the premiers' conference with some motherhood statement and says, "The Canadian government should act with great determination to ensure that Canadian interests are recognized in any settlement of current international trade disputes in auto, steel and agricultural products."

Mr. Shymko: Are you against motherhood?

Mr. Cooke: I am not against motherhood, but I would like to see the Premier come out with some type of specific program to protect an industry that is as important to Ontario as oil is to Alberta.

At the premiers' conference, he went on to say: "Canadian interest rates should be allowed to fully reflect declines in US rates. The federal government should increase incentives for the creation of jobs for our young people." That was his whole presentation on jobs for youth.

Can you imagine that? With over 200,000 young people unemployed the Premier says, "The federal government should increase incentives for the creation of jobs for our young people." Well, whoop-de-doo! What does that mean? What is he willing to do? What are the specific programs he would like to have the federal government introduce?

Then he says that the premiers' conference was a great success because they came out with all these specifics. The columns I read said that most of the other premiers did come out with specifics but Willie Davis sat there and tried to sit on the fence, as he does at most meetings.

"The Canadian government should continue to pursue strongly the process of trade expansion, particularly in high-technology goods and service." Well, good. Again that is motherhood. But what about our domestic market? Already we have the largest trade surplus overall because of our exports of natural resources, but we are still importing an incredible amount of mining machinery, machinery in general, auto and food processing products into this province and into this country. Surely the mark of a mature economy is that it fulfils the domestic market first.

He goes on at this first ministers' conference to say, "All programs and tax incentives to encourage research and development should be

reviewed so as to ensure full participation by small and medium-sized companies."

Again, all of us want more research and development to occur in this province and in this country. What strategy is this government proposing? What the Premier does not even recognize in his statement is that the lack of research and development in this country and in this province has something to do with the ownership of the economy and the fact that manufacturing by and large is owned by foreign interests. And those foreign interests that own the auto industry and the food processing sector are not going to enter into research and development in this country unless there is legislation that forces them to do so.

It is simply a fact of life that if the tax system is used so that we tax a certain amount of money from them and if they do research and development then they get a certain amount of their investment back, those kinds of incentives will work. But simply to say that all programs and tax incentives to encourage R and D should be reviewed so as to ensure full participation by small and medium-sized companies does not mean anything. But that is a typical statement from this government and from this Premier, a Premier who for over 10 years now has demonstrated no leadership whatsoever.

Back to the auto industry. In the auto parts sector the Premier suggested at the first ministers' conference, "A national automotive parts program should be implemented to enable the auto parts industry to restructure in order to meet the competition for building components for the future generation of autos." Again, there is no comment about content legislation, no comment about what he as the leader of a provincial government where 95 per cent of the auto industry exists intends to do, what his strategy is to get that sector built up. There is no recognition that in this particular sector we have a Canadian-owned base, that over 60 per cent of the individual auto parts firms are Canadian owned, even though on the other side well over 60 per cent of the auto parts workers work for the multinationals.

The point is that there is a Canadian-owned auto parts base that could be expanded on. But this Premier of ours, who fails to recognize the structural problems of the economy, says nothing about content legislation and nothing about the provincial role. He simply says to the federal government, "A national auto parts program should be instituted." Surely if there is any sector of the economy where the provincial

government has a primary role in Ontario it is the automotive industry. We have the vast majority of the jobs, plants and production.

9:20 p.m.

Let us get to foreign investment. Again the Premier makes some rather interesting wishy-washy comments at the premiers' conference. He endorses a limited existence for the Foreign Investment Review Agency but he endorses it in such a way that it would destroy FIRA. He says if there is new investment we should not be reviewing that, FIRA should have nothing to do with new foreign investment, but if there are takeovers then perhaps FIRA has a role to play.

There is no recognition that FIRA, if properly administered, has a very significant role to play in making sure that we have performance guarantees from the companies that decide to set up in this country and this province. There is no recognition that if FIRA does not get those performance guarantees the problem of lack of research and development, the problem of lack of sourcing of parts and components and the impact of the vast majority of imports into this country will continue.

Back to his speech. He says in summary: "We need clear and forceful leadership. Some of that leadership must and will come from those in this room." He was referring to all the premiers. "The Prime Minister is mistaken to represent that one measure is anything close to an overall program to stimulate economic recovery."

That was just a few weeks ago when he said to the Prime Minister of this country through the premiers' conference that a program of wage controls was only one small aspect of an economic recovery plan.

I am waiting and wondering why, when this government brought in its wage control program, that is the only part of its economic recovery program. If at the national level wage control is only one small part of economic recovery, surely at the provincial level, even if we agree with wage control, it is only one small part of a recovery plan.

I think there are alternatives. My deputy leader spoke about them this afternoon and I will go into them again later in this speech. Surely this government is hypocritical when it says to the federal government that wage controls are only one part of a program and then this government comes in with its economic recovery package and the only component it presents to the Ontario Legislature is a wage control package.

This government understands from the poll-

ing it does on a daily basis, maybe even twice a day—and this is why the program has been brought in—that it is popular these days to attack unions. They understand from their polls that it is even more popular to attack public sector unions. That is really the reason we have a wage control package in front of this Legislature.

I want to spend a few minutes talking about the structural problems of this economy that are not addressed by this package and were not addressed by the last budget or by any budget presented to this Legislature since I became a member in 1977.

This government's economic growth package has always relied on foreign investment. There are political and economic problems associated with foreign investment. This government takes a short-term approach. If they can get a branch plant, they bring it in because then they can announce 500 new jobs. The reality of the situation is that the economic problems outweigh the short-term political advantages. We must take a long-term economic approach to our government.

The reality of the situation is that foreign investment and control can be directly related, and the testimony in front of the plant shutdown committee proved this. Foreign investment relates very clearly to plant shutdowns, loss of job creation potential, lack of research and development and to the low level of management, skilled trades and marketing positions within our economy in Ontario.

Our reliance on multinationals is inhibiting the growth of our economy in many sectors, resulting in more and more reliance on imports. The 1975 report to the Ontario select committee on economic and cultural nationalism said: "The most important effects of foreign direct investment and foreign ownership relate to the cumulative structural impact on the economy."

Branch plants of multinationals located here are primarily here for entry into the Canadian market only. The result is that the economic interests of Ontario and of subsidiaries in Ontario are often different from and subordinate to those objectives of the multinationals. The result, according to the Gray report, which was done in the early 1970s, is "less production for the Canadian market, less opportunity for innovation and entrepreneurship, fewer export sales, fewer supporting services, less training of Canadian personnel in various skills, less specialized product development aimed at the Canadian needs or tastes and less spillover of economic recovery."

In many cases our reliance on branch plants has resulted in the underdevelopment of the Canadian industry even where our market is large enough to support that plant or production. Branch plants result in centralized control by the parent. Branch plants import component parts, and they prohibit their branch plant from exporting to European and offshore markets.

The Gray report said: "Canadian branch plants import one third of their requirements, and these imports tend to come from the country of the parent plant. Foreign-controlled companies are more import associated than Canadian-owned companies. Imports were high in these sectors where foreign control is the highest, i.e. auto, machine and tooling." Fourth, procurement of managing, engineering and accounting and advertising services were highest in the sectors of the economy controlled by foreign interests. A study done in 1978 by Statscan confirmed again the report done by Herb Gray in the early 1970s.

No matter how efficient the independent Canadian supplier might be, his price can never compete with the internal cost procedures of the multinational firms. The result is the loss of jobs in Canada and an increase in jobs where the multinational home base is.

In 1970, a US Senate committee on finance calculated that some 461,000 jobs were created in the US as a result of foreign direct investment of US firms in foreign countries, and 50 per cent of those jobs were a result of investment in Canada. Canada gained 110,000 jobs because of the investment, whereas in the United States it was well over double that. This figure is in 1970, and the information indicates that it would be much higher now.

Not only is job loss important, but the result is huge trade deficits, a lower Canadian dollar and higher interest rates. We always hear about government deficits being responsible for high interest rates. The fact is that the interest rates are affected very significantly by the outflow of capital due to research and development fees, profits and management fees that go out of this country as a result of foreign ownership of our economy.

In food processing, we were once self-reliant in Ontario, but because of the foreign takeover of the independent producers we are now a net importer of food. Between 1961 and the late 1970s over half, or 1,379, of the food processing plants in the province closed. At the same time Del Monte, Kellogg and General Foods took control of the food processing sector in the

province. Now we have imports of tomato paste, canned peaches, frozen strawberries, canned pears and canned apples, and the list goes on and on.

The reality of the situation is that the foreign takeovers in the 1960s and early 1970s have resulted in our dependence on imports even in a sector where we should be a net exporter. This government's approach to the problems in the food processing sector since the Board of Industrial Leadership and Development program was brought in has been to bribe the American-owned foreign multinationals to get into areas where we are net importers: for example, the grant that was given to Heinz in Leamington.

9:30 p.m.

Rather than bribing those foreign multinationals, it makes a heck of a lot more sense to me to be encouraging Canadianization, to be encouraging Canadian food processors to expand. We should say to the foreign multinationals: "We are not going to bribe you into producing more tomato paste. You either do it or we will go to the farmers in the community and we will set up a co-op and we will do it ourselves."

It seems to make a lot of economic sense. It would begin the process of Canadianization of the food processing sector. It would keep the profits here in Canada. It would develop research and development and it would, once again, lead to self-sufficiency in the food sector, which is most important for Ontario.

I talked about research and development and our suggestions of how we could encourage research and development in Ontario. What about skills training? The Minister of Colleges and Universities (Miss Stephenson) is here. She has been threatening the private sector for I do not know how long, and when the manpower section was under Labour the former Minister of Labour threatened the private sector, saying if the private sector did not do something about improving skills training the government would bring in a mandatory system, perhaps a grant levy system or some kind of legislation in order to get the private sector to do what it should be doing.

The fact of the matter is that this has been a problem in Ontario for years. We have been importing skilled tradespeople for a long time. When we did not have high unemployment it was not quite the political hot potato it is now, but now that it is politically important this government threatens the private sector.

The private sector knows darn well this government is not serious. If it was serious it

would have brought in a grant levy program. It would have told the private sector: "If you want skilled tradespeople you will have to train them here, and if you train them here we will help you out financially. But if you do not train people then you are going to pay a tax." That kind of carrot and stick approach, I believe, would have a significant impact on the skilled trades needs within Ontario.

Hon. Miss Stephenson: You had better look at it again.

Mr. Cooke: What is the minister's suggestion? She is up next. Maybe she will answer that question. How is she going to get the skilled tradespeople? Her only contribution to the skilled trades needs in this province was to go into Windsor in the middle of the last provincial election and turn the sod for a skills training centre that was already half built.

Hon. Miss Stephenson: The member knows that it was not—

Mr. Cooke: Come on. The minister knows that the holes were already dug and the government set that up in four days for the Tory candidates, because the big issue was how the Conservatives in the province closed down everything in Windsor.

Hon. Miss Stephenson: Listen, you were there in the pictures—in all of them as a matter of fact.

Mr. Cooke: I showed up because it was in my riding.

Mr. McClellan: He also won the election.

The Acting Speaker (Mr. Robinson): Order.

Mr. Roy: Was he crowding you, Bette?

Hon. Miss Stephenson: He was standing in front of me most of the time.

Mr. Cooke: Come on, Bette, you know it is impossible to stand in front of you.

Hon. Miss Stephenson: Yes, and you also know what you said was not true.

Mr. Cooke: The fact of the matter is I was invited—not by the college because the college invited only Tory candidates, I am sure at the minister's instructions. I was not invited by her office, I was not invited by the contractor; I was invited by the building trades in Windsor.

There are other techniques that this government should be using in order to develop the Ontario economy. We hear a lot of talk about the procurement policy from the new Minister of Industry and Trade (Mr. Walker).

Mr. Speaker, just to get off this topic for a

second, let me tell you something about the new Minister of Industry and Trade. This little story indicates how bankrupt and how inept this government is when it comes to development.

The new minister was down in Windsor recently in order to make an announcement about a new diesel engine plant. He had a meeting with the editorial board at the Windsor Star. The editorial board was talking to him about the potential implications of Chrysler no longer building a car in Canada. The minister said to the editorial board: "What are you talking about? They are going to be building a car. The Imperial, the New Yorker is still going to be built here."

The federal reporter who covers Ottawa pointed out to the minister that he was wrong. The day the announcement was going to be made he still did not know that no longer was a car going to be built. The minister's response was: "Gee, I did not know that. I will have to get my officials to check it out." A \$250-million deal, a major concession under the auto pact that no longer would cars be built, and that minister who is responsible for guiding industry, for creating jobs in Ontario, did not even realize that no longer was Chrysler Corp. going to be building a car.

Interjections.

Mr. Cooke: I would like to know where the Treasurer is. If he is not back in a few minutes we may want to take an adjournment.

Mr. McLean: The member is not even talking about the bill, so why should he worry about the Treasurer?

Mr. Cooke: Perhaps the member should have listened to the statement by the Treasurer and the Premier on Tuesday when they said this was the government's economic recovery program. If this is an economic recovery program, then surely I have the right to talk about what a real economic recovery program should include and I should have a right to talk about the failures.

If I am going to talk at length, which I certainly am—if I am going to talk about the government failures within the economic field, we can only talk at length because we cannot do it in five or 10 minutes, believe me.

Mr. Foulds: The only way it could get any worse would be if the Minister of Revenue (Mr. Ashe) were Treasurer.

Mr. Cooke: That minister had a very interesting spring session and I just wish there were a few more revenue bills he could deal with this fall—comic relief. I do not mean introduction of

new bills. There are a couple we have not dealt with and I am sure we will get some comic relief out of that member in the fall.

Hon. Mr. Ashe: Just so the member does not get disturbed, I will bring in a few.

Mr. Cooke: I understood there were a lot of senior citizen groups that were thinking of giving the minister an award for the way he handled their tax rebate program.

Hon. Mr. Ashe: They already did.

Mr. Cooke: They did, did they? Maybe that was the Tory elderly group, but it sure as heck was not the ordinary senior citizens in this province who have really been hurt by the bureaucratic mixup in this government.

Let me get back to procurement policy. A procurement policy has to be one of the important aspects of any economic recovery package. This government talks about municipalities and hospitals and school boards buying from Canadian sources but at the same time it uses as a guideline only a 10 per cent preference.

Time and time again there have been examples raised in this Legislature of sourcing, even, I believe, the constitutional coins that were sourced from outside this country. Surely this government has to take seriously the importance of sourcing its purchases from farms in Ontario and in Canada. Surely this government has to get out to the private sector and impress upon it the importance of that as well. I understand the limitations in the private sector because of the ownership problem, but surely government in Ontario has to begin to use its \$22-billion buying power for the economic development of this country.

Finally, a couple of other areas. We have talked about the use of crown corporations. We mentioned earlier and time and time again—unfortunately, the member for Sudbury (Mr. Gordon) has gone again; I saw him here for about five minutes—that mining machinery is surely an area where this government could show some leadership. It could get involved in a crown corporation. It is not a matter of philosophy, it is not a matter of ideology; it is a matter of practicality. The private sector has not taken up the opportunity. There is a market.

Sweden did it. At the beginning of the 1970s Sweden was not an exporter of mining machinery but she is now, and it is only because they had a government with foresight. It is only because they had a government that knew when to intervene to create jobs and industry. It is about

time this government showed that kind of leadership.

It is this government's neglect of structural problems in the economy that has led to today's crisis. No one and no one region is exempt from the economic crisis. Now this government is trying to calm the people of this province with a wage control package. The perception they are trying to create among the people is that this is some kind of a magical answer to all the problems that exist in the province. It is a deliberate misrepresentation on the part of the Treasurer and the Premier.

When we were in the lockup on Tuesday where the officials for Treasury came in and talked to us, some very logical questions were asked of the ministry officials. One question was: How much will inflation be lowered by this program? They said: "We have no idea. We were not told to calculate that." Obviously that was of no interest to the Treasurer or the Premier.

9:40 p.m.

We asked them how much this would lower the provincial deficit. They said: "We have no idea. We did not calculate that. We were not asked to calculate that." Miller—rather, the Treasurer—

Mr. Piché: Mr. Miller.

Mr. Cooke: If you want to interject, Rene, perhaps you should get in your seat.

Mr. Piché: All I am asking is that you show the gentleman a bit of respect.

Mr. Cooke: The provincial Treasurer stated clearly that the main goal of this program is not to create jobs, it is not to create economic revival in Ontario. He has clearly said in the newspapers and in the press conference after he announced his program that the main objective of this program is to lower the deficit. Surely at a time of economic crisis, at a time of 10.8 per cent unemployment, while deficits are important and they must be kept under some degree of control, the prime objective of a government must be to create jobs.

The evidence is that reducing consumer buying power will not create jobs and may increase unemployment. When unemployment increases, that will increase the deficit of the province as well. This is not an economic strategy; it is a political strategy. It is a strategy this government hopes will give the illusion to the people of the province that action is being taken on the economy when really it is not.

The matter of jobs is the number one priority

we have to get through to the Treasurer and the Premier. The attack on the public sector is justified, according to the Conservatives, because the public sector has job security. I suggest one should go to the people who worked for the sales tax department offices that were closed and ask those people who were thrown out of work by this government if they had job security, or perhaps one should go to the hundreds of teachers across the province who have lost their jobs to see if they think they have job security.

We should ask the latest 150 employee victims at the chest clinic that was closed just a couple of weeks ago. They were all flown down on the day the reception was being held here for the International Monetary Fund and they were told as of that day they were laid off. Some people in our city went to the chest clinic in Windsor and there was a sign saying: "Your appointment has been cancelled. Go to your family doctor." There was no explanation, no time or notice given to the employees.

One of the things that happened in that particular case is that the doctors who worked for the chest clinic were given three months' notice plus an additional three months' pay, but the ordinary Ontario Public Service Employees Union workers were given 90 days and that was it. Who has the best opportunity to earn a living, of having an income after they lose their job with the chest clinic? Is it the doctors or is it the unionized staff? I suggest that is just another example of the double standard under which this government operates. If you are in a union, 60 or 90 days is plenty; if you are a doctor, they will give you six months. That is the double standard that was used.

Let us look at the program that was introduced and let us see how equitable and sensitive it was. I understand when the Premier was speaking with my leader he warned him that the program was coming down, but he said not to worry, "We are going to deal with the public service in an equitable and sensitive way." "Sensitivity" was the word that he used. Now 500,000 workers have been affected.

It includes employees of provincial corporations, commissions, boards, agencies, universities, colleges, hospitals, health boards, libraries, nursing homes, ambulance workers, home-care workers, garbage collectors, social service workers, social workers at the children's aid societies—all of these people plus many more are having their wages restricted by this "equitable and sensitive" piece of legislation. All of these

people have lost their democratic right to bargain collectively and freely within Ontario.

Some will have three years of controls. The way the program has been explained, they tried to communicate to the people of this province that the program is for only one year; but for some it is a three-year program and for many more it is a two-year program. For example, if I understand the program correctly—I know I understand it in my mind; it is not the easiest thing to explain the three-year section but I will attempt to.

I understand that if your contract expired, if you still have no contract from 1981 and you are still negotiating, then that contract will be settled for you by the inflation board and you will have a settlement imposed on you. So that is year one. For 1982 you will have a settlement up to nine per cent, and for year three it will be five per cent. There are three years of controls for some people who did not have a contract in 1981.

Mr. R. F. Johnston: A great concern to the back-benchers on the other side.

An hon. member: It is a very important debate, isn't it?

Interjection.

Mr. Foulds: Order, please. Mr. Speaker, Would you call them to order?

The Acting Speaker: Order.

Mr. Cooke: You did that with such enthusiasm, Mr. Speaker. The former member from your riding had lots of enthusiasm.

Hon. Mr. Ashe: He had a very limited vocabulary, though. All he could say was "Resign, resign, resign."

Mr. Cooke: But he was right on.

Hon. Mr. Ashe: He did, he resigned; the electors in his constituency made him resign.

Mr. Cooke: He has taken a sabbatical until 1985, and he will be back.

Some employees are being affected over three years. Let me give another example. In my home city the Canadian Union of Public Employees workers who work for the city of Windsor settled for an incredibly low contract. They dropped their cost of living allowance and settled for something much less than 10 per cent over the last two years, because they recognized the economic problems that existed within our city.

They bargained with sensitivity to the city of Windsor, and as a result property taxes were kept as low as possible. They made a significant

contribution, but it was also with the understanding with the city that when the economic picture got better they would have the opportunity to do some catch-up.

Now what happens to them? They are going to be locked in to the government's two-year program, and they are going to suffer not for one year, not for two years, but, added to the two years they have already in effect been under controls, they will have been under controls for four years. What kind of justice is that?

The Premier tells us nonmonetary items can be negotiated. But how are they going to be resolved? You cannot strike to resolve your nonmonetary items, because strikes are outlawed. You cannot go to arbitration, because arbitration has been suspended. How are you going to resolve nonmonetary items? Who is going to resolve them? The reality of the situation is that the Premier has said nonmonetary items can be solved in one way: the union has the right to beg the employers, and that is what it boils down to.

Is the Minister of Colleges and Universities still in the House?

Mr. Wildman: Yes, she is here.

Mr. Cooke: Is she leaving?

Mr. Wildman: Jim Bradley, the member for St. Catharines, has gone over to the right side.

An hon. member: He never left it.

Mr. Cooke: I hope he will go back to St. Catharines and be a little more honest with the people in St. Catharines than he was with the teachers yesterday.

Interjections.

9:50 p.m.

Mr. Cooke: For example, the Ontario Public Service Employees Union agreement for clerical workers from January 1982 to December 31, 1983, had a negotiated 11 per cent increase. That was negotiated and signed. It was an agreement this government made with the OPSEU workers, but it is now going to be rolled back to five per cent, a six per cent decrease.

What does that mean? It is a cost to those individuals, a loss of \$1,084. There is only one way to describe that cost to those individuals; it is increased taxation on a select few. It is increased taxation on a worker who makes \$16,000 or \$17,000 a year, an increase in taxation to the provincial government of 40 per cent.

Tell me whether that is a fair solution. The member is going to be voting on this piece of

legislation and I hope he will speak on it at some point.

Perhaps the Treasurer can indicate what kind of justice that is. How many jobs will it create when these workers lose \$1,000? They will not have the opportunity to spend it in our economy. As a result, they will not be able to afford an appliance or perhaps an automobile. Obviously, the effect is clear. Consumer demand and standards of living will decrease significantly in this province. If people do not have consumer buying power, the only possible result is more unemployment.

If there is more unemployment, the result and the implications for the provincial government are higher welfare costs, higher social service costs, higher health costs, less income by way of taxes and therefore a higher deficit. What kind of economic sense does that make? In the short run, it may be very attractive politically; in the long run, it will be economically disastrous for this province and this country.

Nonunionized employees and those at the lowest income level, for example those at \$15,000, can get up to \$750. They get \$750 at least, is that not correct?

Hon. F. S. Miller: Up to \$1,000.

Mr. Cooke: Up to \$1,000, but there is no guarantee they will get \$1,000. How do they get \$1,000?

Hon. F. S. Miller: Decision of the board.

Mr. Laughren: We know who is on the board.

Mr. R. F. Johnston: If their employer asks for it.

Mr. Cooke: If I was making \$15,000, if I was not unionized and I had to send my request for an extra \$250 to a board created by a government that brought in this kind of legislation, believe me I would not count on that \$250.

Mr. Foulds: Only the employer can do it, not the employee. Read your legislation.

Mr. Cooke: Only the employer can do it, is that not correct?

Hon. F. S. Miller: I believe that is correct.

Mr. Cooke: Let us take the worst-case scenario. If they get \$750, that is only five per cent. As members of the Legislature, we did better than that in terms of percentages. For those who are at a higher income scale, the percentages do not work too badly. Doctors get a very good deal.

Even if they went up to \$1,000, these particular employees would be getting only a little over seven per cent increase when inflation is running at nearly 11 per cent. When they are

making only \$15,000 a year, they will still have a decrease in their buying power and a lowering of their standard of living. There is no way that section can be described as a sensitive and equitable part of the wage restraint package.

When he is summing up on second reading, perhaps the Treasurer can explain the coincidence that there are a lot of Canadian Union of Public Employees workers and nurses whose contracts run out on September 30 and that a major portion of this program takes effect on October 1. Is that a coincidence or is it something that, if the program had come in just a week ahead of time, would mean one year of controls as opposed to two? I cannot believe this government is so inept that it would have done that accidentally. That was a date designed to attack 25,000 nurses and 18,000 CUPE workers.

Interjections.

The Acting Speaker: Order.

Mr. Foulds: Why don't you call them to order, Mr. Speaker, when they interject?

Mr. Cooke: Mr. Speaker, perhaps I can use a couple of examples. We used one this afternoon in the Legislature. I want to use a couple more.

Joyce Morgan is 40 years of age and she lives in Brantford. She is a single parent with two children, both in school. She clears \$313 every two weeks; she has a take-home pay of \$626 every month. It is not exactly a big income. She works for social services, I believe it is, in Brant county.

Her rent is \$224 a month but, as of January 1, 1983, it is going up \$48, or more than 20 per cent; but her rent will not be controlled. Her food is at least \$200 a month, she has fire insurance and all the other bills that go with just struggling along these days; but her wages will be controlled.

I ask the Treasurer, and perhaps he will respond when he sums up on second reading, how Joyce Morgan contributes to the inflationary cycle in this province. How does her \$626 a month cause double-digit inflation? The only thing he is doing to her by controlling her wages is increasing her taxation to assist him in lowering his deficit.

How about Shelley Gordon in Toronto? She is a library assistant. Her income is \$1,375 a month; she grosses \$16,500 a year. She has rent of \$200 a month; food of at least \$260 a month; transit of \$30; utilities of \$50. She has a student loan payment of \$107 a month and other expenses; furnishings \$50 a month, plus other normal expenses. She has nearly \$700 just in

basic living expenses; but the Treasurer is going to control her wages.

She has \$16,500 a year. She is young, just getting started in life in the city of Toronto, probably would like to save a bit of money, probably would like to buy some durable goods and perhaps have a goal of purchasing a home at some point. What the Treasurer is saying to her, and what she says to us, is that this wage control program, since her increases will not keep up with the cost of living, will mean she can no longer look at buying a car, and she was a potential car buyer; she is not going to be able to look at any appliances or new furnishings, or anything like that.

He has simply said to her: "Don't spend. We are not going to allow you to keep up with the cost of living and therefore you are no longer a consumer who is going to be able to contribute to an economic recovery." He is controlling her wages, he is diminishing her consumer buying power; and he is eliminating jobs by doing this to 500,000 people in Ontario.

The simple fact of the matter is that savings of individuals will be decreased because they cannot afford it. Their standard of living will decrease. Their disposable income will decrease. Major purchases will become impossible and standards of living in this province will decrease for 500,000 people and their families. There are simply no other conclusions to come to.

The only potential benefit from this program—and I am not even sure it is a benefit—is that in the short run, the very short run, the deficit may decrease. In the long run, as more and more jobs are eliminated and as social service costs go up, the deficit will increase.

The unimaginativeness of this program, the traditional Tory approach that this represents, is simply incredible. One would think that the Treasurer and the Premier could come up with something a little more imaginative to get the economy moving.

10 p.m.

Let us look at the Ontario Public Service Employees Union workers and how much money they earn in this province. In 1982, there are 1,700 OPSEU workers who earn less than \$15,000 a year; 13,235 earn between \$15,000 and \$17,500 a year. That is not a large income, \$15,000 to \$17,500, especially when one considers that in Toronto the average income required to buy a home is now \$59,000, I believe, and these people are earning \$15,000 to \$17,500.

The Treasurer has an obligation to these people, and to us in this party, to indicate how

someone earning \$15,000 to \$17,500 a year is contributing to the inflationary cycle in this province. It just does not make any sense that these low-income earners are going to be controlled.

There are 13,157 OPSEU workers who earn between \$17,500 and \$20,000. Those totals mean that more than 54 per cent of OPSEU workers earn less than \$20,000, yet their wages are going to be controlled by this piece of legislation. There has been no explanation by the Treasurer or the Premier how they contribute to the inflationary cycle.

There was a reasonably good commentary on CBC from Fraser Kelly, of all people. He indicated how ridiculous it was that the six and five per cent program and the five per cent program were being brought in. He said what the government was communicating to the people of this province was that high unemployment, the deficits that government is running up, the large amount of imports and all the economic problems we are suffering in this province are to be blamed on the 500,000 public servants who serve the people of this province. That is basically what the government is saying.

Years of riding on the growth in the 1960s—growth that was not planned but just fell upon the government with luck—and all the years of neglect have come home to roost with this government, and now it has decided to make the 500,000 civil servants in this province its whipping boys.

That may sell politically, but it is morally wrong as well as economically wrong. This party feels very strongly about it. We intend to fight it. We have put our proposals, our alternatives, forward. I would like to review some of those but, before I do that, I want to comment about the price controls, because that is the other side of the equation that is even more deceiving because of the way it has been presented to the people of this province.

The government states that no fees, licences or prices charged by ministries of government will increase by more than five per cent; yet as it was pointed out by my deputy leader today, Ontario health insurance plan premiums go up on October 1 by 17.4 per cent.

We got the silly argument from the Treasurer, in answer to a question about this, that those premiums were set in the May 13 budget and so they cannot be changed. We asked him through interjections and supplementary questions: "What about the contracts that have been signed? What about the second and third years of

contracts that you are ripping up and tearing apart? You do not feel constrained in ripping those things up and destroying them and changing those contracts, many of which you have signed yourself. Why the double standard? Why the hypocrisy?" It does not seem to bother anyone on that side of the House.

The average family, as my deputy leader pointed out, pays \$50 a year in fees that are regulated. The average family, on the other hand, as of October 1, 1982, will be paying \$648 a year in OHIP premiums with the 17.4 per cent increase. If the government were serious about controlling prices, the Treasurer would have got up and indicated, as part of his statement the other day, that the October 1 increase in OHIP premiums was going to be null and void. He might even have indicated that a rollback would be in order, but at least he could have indicated that the increase scheduled for October was going to be rolled back. That would have been only decent; it would have indicated that this government was sincere to some degree.

Mr. R. F. Johnston: It also would have been consistent.

Mr. Cooke: Consistency is never anything this government has been worried about. In fact, in many ways this government in the way it operates is the Liberal Party of Ontario. It goes with the polls. It does whatever it thinks is popular. Its principles are surely to be questioned, and this piece of legislation shows it more than anything else.

The second piece of legislation is going to be even more difficult for this House to deal with. I do not know how this government can introduce a piece of legislation on first reading that says it is going to opt into a federal program that has not been announced and expect the opposition parties to say: "We agree. Whatever the federal Liberals decide to bring in as a program, we will opt into. We are going to give you that authority." If the government expects that piece of legislation to have second reading in this session and expects us to deal with it seriously, then it really has lost its respect for democracy and for the way this Legislature should be operating.

The most interesting, inconsistent and unfair part of this program is when legislated price controls say that all cost increases can be passed through, all legislated prices can have cost increases passed through to the consumers plus five per cent. Darcy McKeough did very well in the *Globe and Mail* today. I am sure the people who just read the headline thought Darcy

McKeough was a great guy. He says he is going to raise Union Gas rates by 4.4 per cent, but when one reads the whole thing the increase is going to be more like 18 or 20 per cent.

On one hand, the government says prices will be able to reflect the five per cent plus increased costs. On the other hand, for the wage earner who has a rent increase of 20 per cent or more, who has a mortgage interest increase of perhaps 80 or 90 per cent because of Liberal interest rates or who has increases in food and energy prices, none of those costs can be passed through.

What we have said is that all fees and regulated prices now have a cost of living allowance one for one; they have a cost of living adjustment. But the workers in this province, the 500,000 public servants, do not even get anywhere near the cost of living. I do not believe that fair-minded people in this province, and by far the majority of the people of this province are fair-minded, are going to buy this kind of program when they really understand what it is all about.

The way it was explained to us the other day in the House by the Treasurer, he neglected to tell us that access to arbitration had been suspended, that the right to strike had been suspended, and that all costs could be passed through. Those kinds of less than honest ways of approaching this issue, those deliberate oversights, may fool the people of this province in the short term, but the people of this province are not foolish and they will catch on.

When we go around this province and talk to them about the program, we will be telling them with a great deal of honesty what is included in this program. If we cannot count on the government to level with the people of the province, certainly this party and the trade union movement will communicate with the people of this province in an on-the-level way so they understand what this program is all about and so they can understand exactly what it is going to do to the economy of the province.

10:10 p.m.

I want to spend a few minutes talking about our alternative. I think my leader has responded consistently in providing an alternative to this government's policies. That is how a responsible opposition party should act.

The starting point of our program is that 689,000 people are unemployed. That has to be first and foremost in any program; so the first priority is job creation in an NDP package of economic recovery. The province must show

leadership. That means more than just bashing the federal government and saying the federal government can do it all.

The four principles we talked about are creating and protecting jobs, sharing any costs associated with the economic recovery, trimming waste in government and fighting inflation in necessities.

We talked about a housing program, the creation of 15,000 new rental units in the nonprofit sector by issuing a housing development bond. The program would cost \$150 million and would create 33,000 jobs. Those 33,000 jobs would create taxpayers out of unemployed people, some in the building trades and some in areas where furniture is manufactured, instead of people who have to rely on unemployment insurance. We would get the benefit of losing some of the cost to government of social services and we would get the benefit of having taxpayers and people who feel good about contributing to society.

We have talked about a major energy conservation program financed through low-interest loans to home owners. That would create 20,000 jobs in this province. Already, we are 53,000 jobs ahead of what this government has created and, if we add on the jobs lost, we are well over 250,000 jobs ahead.

All it takes is a little imagination and willpower, not the kinds of programs the government relies on when it refuses to intervene in the economy except when it is intervening to restrict the wages of ordinary working people.

We talked about accelerating public works programs in our municipalities, school boards, hospitals and universities. We also talked about basic industry renewal. That includes Autocan, which in some respects is the type of program this government called for at the federal level but which we should be creating at the provincial level, where we would have a crown corporation to invest jointly with the Canadian-owned auto parts firms to get them modernized, bringing in new machinery so we can compete with foreign firms and so we can Canadianize the auto parts sector to strengthen it. Combined with content legislation at the federal level, that could create thousands of jobs in Ontario.

The same type of thing applies to machinery. As the Treasurer will know, our biggest deficit in trade is in the machinery sector, whether it is mining machinery or machinery in general. Consider what happens when we get new investment in this province. For example, if an auto parts plant is built, the machinery when they are

tooling that plant is anywhere from 50 to 80 per cent imported. About 80 per cent of the capital cost of building a new auto plant these days is machinery, and that means the vast majority of investment is through imports, rather than through Canadian goods, which would create Canadian jobs here in Ontario.

Job protection: This government destroyed the select committee on plant shutdowns and employee adjustment at a time when this recession was just beginning. Now we need those policies more than ever where companies that are going to leave this province or close their doors have to justify both to the workers and to the communities why they are closing down.

Last week, when my colleagues the member for Sudbury East (Mr. Martel) and the member for Scarborough West (Mr. R. F. Johnston) and I were in Windsor, we met with a couple of widows from Bendix. Their husbands died from cancer because of asbestos. These are the only two who got widows' benefits, and now Bendix is appealing.

When we are dealing with multinationals like that, we cannot rely on the private sector to be responsible and to have a heart and care about the community they exist in. We have to legislate guidelines to enforce good corporate citizenship on multinationals.

The evidence is in, and it was placed before the select committee on plant shutdowns and employee adjustment, that many multinationals do not perform up to any of our standards, no matter which side of the House we are on. So we have suggested that there has to be justification and it has to be legislated justification.

The problems of severance pay have to be plugged up. We have to have six months' notice. No longer should a company be able to close up as Bendix did—it paid a few weeks in lieu of notice—and then just leave town, taking its machinery with it, and that is it. We have to have longer notice—six months' notice—so that during that time we can look and see whether justification can be established.

Those types of areas for job protection are important. It is about time this government took the initiative to amend those sections of the Employment Standards Act and whatever other legislation comes under the portfolio of the Minister of Labour (Mr. Ramsay).

Speaking of the Minister of Labour, I find it rather sad that the Minister of Labour is not on the list to participate in this debate. Of all people, the Minister of Labour should be speaking on this piece of legislation, which destroys

free collective bargaining for 500,000 people in this province.

I can understand why he is embarrassed. I can understand why he refuses to talk on the legislation. None the less, I believe he is not fulfilling his duties as Minister of Labour to participate in this debate and put forward his position as a minister of the crown.

Further on the economic recovery package, under "interest rates," we certainly understand that the federal government has a responsibility for setting interest rates through the Bank of Canada. However, we believe there are a couple of initiatives that this government could take.

First, the government of this province, through the Premier, should be using its influence with the Prime Minister and the federal Minister of Finance to indicate clearly and once and for all that we expect interest rates to be lowered.

If that means there have to be exchange controls or that there should be a direction from the federal government to Gerald Bouey that interest rates are simply to be lowered, then that is exactly what should be done. The alternative is that unemployment is going to continue to increase.

But we have not heard that. In fact, the Treasurer of this province said on one occasion, "Yes, interest rates should be lowered." On a different occasion he said, "You know the implications of interest rates being lowered." On another occasion he said, "Yes, my Premier says interest rates should be lowered." On yet another occasion he said, "You cannot bring in exchange controls." And on still another occasion he said, "If we have interest rates too low, we are going to chase out foreign investment and inflation will run away again."

I do not know what the Treasurer's position is on interest rates. I do not know what the Premier's position is. But I know that central to any long-lasting recovery in the economy of this province has to be the lowering of interest rates and a declaration by this government that it believes in the setting of a truly Canadian interest rate that reflects Canadian needs and not American needs.

In the area of taxes, to create jobs and for economic recovery, we believe the Treasurer made a very serious error when he extended the sales tax in the spring of this year. We also believe one way of stimulating sales, as well as of demonstrating to the people of this province that we are concerned about prices and consumer buying power, is to roll back the sales tax increase of this spring.

Hon. Mr. Ashe: Here it is, the real solution: take in less money but spend more.

Mr. Cooke: Perhaps the Minister of Revenue can explain to me why in his budget the Treasurer projected a certain amount of income from his sales tax when we in the opposition predicted to him that sales tax was going to scare consumers, was going to have a negative effect on purchases and would result in less revenue. That is exactly what has happened. The government's deficit is up \$400 million.

10:20 p.m.

The government talks about voodoo economics. It has introduced voodoo economics in the budget and now in this program more so than anything else.

We believe that in this province there are people who are earning high incomes, who can afford to contribute more to this province in terms of taxation. Those people who have a personal taxable income of \$40,000 or more, we believe, should be taxed with a two per cent surtax. That would raise \$290 million. It would not reduce their buying power because we know that people at the high income level have, as the economists say, a greater propensity to save.

For those people at the low income level, every extra dollar of income they have means they are going to spend it and therefore it stimulates the economy. From both an economic point of view and an equity point of view, it seems to us that a two per cent surtax on people with high incomes makes sense. At the same time, we do something for those people on low incomes, especially those people on fixed incomes because they need it and because it is fair and because, from an economic point of view, those people on low incomes will spend it and that will create jobs.

We also believe that other taxes such as a surtax on bank profits make a lot of sense. Banks are the one group of people who have done well with the high interest rates. Since many people in this province are suffering because of high interest rates, we think we should recover some of that money in order to assist those people who are suffering.

Interjections.

Mr. Foulds: That's right. Defend the banks. It is the only time you wake up.

Mr. Cooke: I do not think the Minister of Industry and Trade was here when I told my colleagues about the little meeting he had with the editorial board at the Windsor Star. I was surprised to learn that at that meeting he did not

even know that Chrysler was not going to be building a car.

Mr. Shymko: What about all the Socialist millionaires?

Mr. Cooke: I was very concerned when I heard he was going to be Minister of Industry and Trade but when I heard that he did not even know what was in the deal, now I am petrified about the future of industry in the province.

Mr. Foulds: That's nine-job Walker.

Mr. Martel: So what if nine of them come from Japan to fill the jobs. It's nine jobs.

Mr. Speaker: Order.

Mr. Cooke: It seems to me that the Minister of Industry and Trade at least should have been up to date on the deal that he was signing that day when having the press conference. Maybe that explains why there is no economic leadership when the government cannot even read the fine print.

That explains why when he goes and gets information from some of these big corporations, after layoffs, he comes back here. I think probably they write his answers for him, and he just reads the corporate line. He believes everything they tell him. He probably saw Moe Closs five minutes before he went into the Windsor Star and he said, "Do not worry, Gord, we are going to build a car," and he went in there and told them that. He buys their line, hook, line and sinker.

Other areas of taxation that we think are worthy of consideration on the part of this government and that form part of our package are reintroduction of succession duties on the top three per cent of estates, excluding farms, which would raise \$50 million to \$75 million for this province, as well as the reintroduction of the land speculation tax in this province.

Let us talk about trimming government waste, because there are examples of government waste. None of us can deny that.

Mr. McClellan: Yuri Shymko.

Mr. Cooke: There are a lot of parliamentary assistants. But let us look at some of the ones that have been sort of symbolic of this government.

I thought it was rather heartless of this government. The same day they put on the International Monetary Fund reception which cost \$180,000 in taxpayers' money, they flew in 150 workers from chest clinics across this province and told them, "Your jobs are gone. You are finished. We cannot afford you any longer. We do not need you." The cost for the reception

was \$180,000 plus whatever it cost to give our guests from around the world liquor at half price.

I realize that \$180,000 is a small percentage of the provincial budget; I understand that. But the symbolic nature of that expenditure on the same day that 150 jobs were eliminated indicates to me how much out of touch this government is with what is going on economically in this province; how much out of touch it is with the hundreds of thousands of families in this province that are hurting, and how much out of touch it is with those senior citizens and single parents on fixed incomes.

One day, they are saying we can spend \$180,000 and probably an additional \$50,000 to \$100,000 in forgone taxes on liquor, and the next day they are saying we have to bring in an economic emergency program because we have to restrain wages because government spends too much money. It is very difficult for a lot of us to reconcile those two facts. Or there is the \$50,000 that was spent on the consultants who were brought in to show the government how to use computers—

Mr. McClellan: One consultant.

Mr. Cooke: Yes, one consultant—\$50,000 plus all his expenses. Earlier in the year, I raised the case of a welfare recipient, a single woman in her mid-50s, who gets \$2,700 a year from this government. That \$50,000 represents 20 years of income to her.

Mr. R. F. Johnston: But next year, this consultant will only get five per cent more.

Mr. Cooke: Right. Twenty years of income for this individual and we spend it in two days on one individual. I do not know where the justice is in that. I do not know where the equity is in that. I can understand why a lot of people in this province are very confused and very upset and very disillusioned with a government when it spends that kind of money on people who really, quite frankly, do not need us to subsidize their liquor sales.

There was the jet sale. The only reason the government sold that jet was because there was political pressure and because, again, it had become a symbolic issue to people across this province, representing government waste. So, because of public opinion, they were forced to sell that jet.

There are other areas where this government can have a serious impact in fighting inflation, and these are energy and transportation. We suggested in our package that this government

should freeze hydro and home-heating fuel prices for eight months. The government can do that within the province and that would be a significant contribution towards fighting inflation and fighting the cycle that this government says is so important, and which I agree is important. But if one looks at the makeup of the inflation problems within this province, the majority of the inflation comes from government-administered prices, and this is one area where the government could have a significant impact on inflation in Ontario.

The government could freeze public transit fees for one year without reducing service. In this province, and specifically in Metropolitan Toronto, that would have a significant effect on inflation and would increase ridership. There is the likelihood that with increased ridership and increased revenues, it would not cost this government anything at all. That is something this government should be doing. They should freeze public transit fares for one year.

10:30 p.m.

We have suggested that the government freeze the tax on gasoline to the current dollar level for at least one year. This means we are saying to the government that if the cost of living allowance is no good for workers, then certainly attaching a built-in cost increase on the tax on gasoline through the ad valorem tax is also unfair and wrong; therefore, the ad valorem tax should be eliminated.

On motion by Mr. Cooke, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, as provided in the standing orders, we would normally indicate the business of the House for next week.

Tomorrow and Monday we will proceed with this debate on Bill 179. I think members are probably aware, however, that a request for an emergency debate is going to be moved tomorrow. Depending on the disposition of that by Mr. Speaker, tomorrow morning we will debate either that or the bill. But on Monday we will continue with Bill 179, and then we will have further information on the business of the House after that.

ONTARIO MUNICIPAL BOARD APPOINTMENT

Mr. Speaker: It being 10:30 of the clock, and pursuant to standing order 28, I now recognize the member for Ottawa East (Mr. Roy), who has

given prior notice of his dissatisfaction with the answer to his question to the Premier (Mr. Davis).

Mr. Roy: Mr. Speaker, I realize I have a very brief time, but I do want to say that in my opinion the administration of justice has not been well served in the last few days by the Attorney General (Mr. McMurtry) and by the Premier of this province.

There was a press conference this afternoon in which Mr. Rosenberg apparently stated that no commitments or promises were made by the Premier, by Mr. Goodman or by anyone else. He went on to say that the letter was written as a result of frustration. He said he was frustrated by the fact he had not succeeded in being elected, either provincially or federally. He said he was frustrated, apparently, because for about 15 months he had attempted to be appointed to the provincial court bench and his desire had not been fulfilled. He was frustrated, apparently, because he saw a municipal election coming up that was being contested, and he had not received the appointment.

Out of this frustration, according to Mr. Rosenberg's own statements, he decided to write a letter full of lies, according to him and according to the Premier and anyone else involved. He wrote a letter to the Premier, apparently, making very serious and unfounded allegations, and he was rewarded for doing that. His scheme worked: he was appointed to the Ontario Municipal Board.

So what terrible conclusions do we draw now? Many of us who have been around here for a while have serious doubts as to whether the allegations made in the letter of June 18, 1982, are in fact untrue. But accepting the word of Mr. Rosenberg in a press conference today, and accepting the word of the Premier and Mr. Goodman and other people involved in this that the allegations he made were untrue, the government, knowing this, appointed him to the Ontario Municipal Board.

Can you believe that, Mr. Speaker? If you want to get on the Ontario Municipal Board, you lie. That is the way to get on that board. That is the upshot of this.

Given these circumstances, the questions to be asked in the administration of justice are

simply: How in heaven's name does the government, in these circumstances, justify appointing such an individual to the Ontario Municipal Board to dispense justice? How is it that this matter is now public? How is it that the government is not removing this individual from the Ontario Municipal Board if he does not have the honour to remove himself or to resign from the board?

We can talk politics and we can make fun of this, but we are talking about the administration of justice. There are other jobs in a government. They can give Morley another job. He can go back to his law practice. He has got it for sale now; it is in today's *Toronto Star*. I think the telling words in his ad are, "The terms of sale are negotiable." I guess so.

It is absolutely intolerable that the citizens of this province are expected to have the confidence to come before this board despite the circumstances in which this individual was appointed to and remains on the board. How are we to convince the public of this province that the administration of justice is independent and has credibility in these circumstances?

The performances of the Attorney General and of the Premier, it seems to me, have not been such as to defend and protect the administration of justice. Given these circumstances, if the Premier does not want to have an independent inquiry, I challenge him to refer all of these circumstances to either the Law Society of Upper Canada or the judicial counsel for consideration to see what they would say about such circumstances.

It is not good enough to try to stonewall in the situation, hoping the thing will die down and go away. The administration of justice is far too important for this to happen. And if the people on that side hope that, given these circumstances, the matter will blow away, that nothing will be said and that over time people will forget, we on this side will not forget this. We will be talking about how—

Mr. Speaker: The member's time has expired.

Mr. Roy: We will be talking about how the administration of justice was not defended in September 1982 by the present administration.

The House adjourned at 10:37 p.m.

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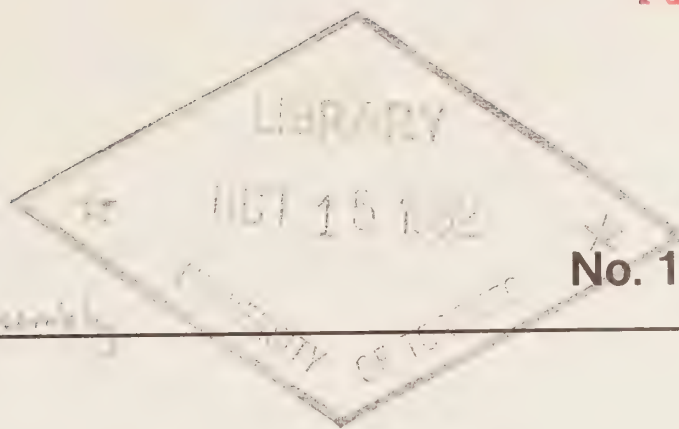
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No. 103

Legislature of Ontario Debates

Official Report (Hansard)

Second Session, Thirty-Second Parliament

Friday, September 24, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, September 24, 1982

The House met at 10 a.m.

Prayers.

IRB CHAIRMAN'S SALARY

Mr. Mackenzie: Mr. Speaker, I rise on a point of privilege. This morning's *Globe and Mail* reported that the new head of the Inflation Restraint Board would be getting \$70,000 for part-time work. Surely, in this time of restraint, that cannot be correct and I ask the Treasurer (Mr. F. S. Miller) to clarify or correct the record.

Mr. Speaker: I think that may be more appropriately asked during the oral question period.

Later.

Hon. Mr. Davis: While I am on my feet, Mr. Speaker, to answer a point of order, if I may:

If the member for Hamilton East (Mr. Mackenzie) was really seeking information about the report in the *Globe and Mail*, which I have not seen, I should point out that Mr. Biddell is rendering his services on the basis of a per diem to be the equivalent of and not to exceed the salary of a deputy minister. Knowing the pressure on him in many other respects and what his income might be if he were dealing totally with his own responsibility, the per diem not only is reasonable but also is probably well below that which he otherwise would be earning.

Mr. Foulds: If I may, on the point of order—

Mr. Speaker: A supplementary to the main question, please.

Mr. Foulds: The Premier raised the point of order in the middle of an answer, Mr. Speaker. The rate of increase he has imposed on working people of this province may be "well below" what they could have legitimately expected to have received. But then they are a different class of people, are they not?

Mr. Speaker: Now for the supplementary.

ORAL QUESTIONS

PRICE RESTRAINT CRITERIA

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer about some of the technical

aspects of Bill 179. There is a section in this bill outlining the restraint criteria to be applied to regulated prices affected by the program. These criteria specify a five per cent limit on increases in profits and wages for regulated enterprise. However, these criteria are contained nowhere in the bill. Subsection 27(1) states simply, "The minister shall establish economic criteria by which price increases shall be reviewed."

There is no statutory requirement for these criteria to be produced as regulations. They do not have to be gazetted and they do not have to be published in any form. Public notification is at the discretion of the Minister of Consumer and Commercial Relations (Mr. Elgie), and it is within his power to change the criteria at any time, even on a case-by-case basis, without ever notifying the public.

My question to the Treasurer is this: Why the secrecy, and why is the Lieutenant Governor in Council not empowered to set criteria by regulation as normally would be the case?

Hon. F. S. Miller: Mr. Speaker, the minister in this case is the Minister of Consumer and Commercial Relations, who will be handling the regulated prices review through the special cabinet committee on administered prices and with reference to the board. It might be better from a technical point of view if that minister were asked the question. If the Leader of the Opposition does not mind, I will redirect it to him.

Hon. Mr. Elgie: Mr. Speaker, a letter is going out today notifying ministers what the various criteria are that we will be looking at in that committee. I do not have any problem about making those criteria public. If they are changed from time to time, I have no problem—

Mr. Peterson: I can't hear you.

Hon. Mr. Elgie: I said the criteria referred to with respect to administered prices are being sent out to the various ministers today. I have no problem about making those criteria public in the near future and, if they are altered, I have no problem about making the changes public.

Mr. Peterson: That is not the full import of the question. It is obvious that when the minister drafted this legislation he copied to a large

extent, at least in some provisions, the federal legislation in this matter. That legislation does set out the criteria, and they will come out by order in council so that all Canadians will know what rules they are subject to.

This bill gives the minister a lot more discretionary power than the federal government will have, and he will be able to use that discretion in ways that I feel could be not completely fair in the circumstances. My question to him or to the Treasurer, to the drafter of the bill, is: Why is the minister not prepared to publish these regulations so that all Ontarians understand the rules they are playing by? Why will the criteria not be gazetted? Why will they not be made public ahead of time rather than just being subject to the minister's individual discretion or the discretion of his board?

Hon. Mr. Elgie: I think the Leader of the Opposition really understands that this is not a matter of the government trying to keep this whole process secret. I clearly pointed out to him that the criteria will go forward to the ministers. There is no problem with me in making those criteria public. If he sees any advantage in setting up some great bureaucracy to run it in some other way, that may be his point of view but it is not ours. I think this process will work satisfactorily and the public will feel it clearly understands the criteria.

Mr. Swart: Mr. Speaker, is it not true that this bill has been deliberately drafted so it will make firm a five per cent limit on wages of public servants but be so soft on prices that they will be able to charge any price they want?

Hon. Mr. Elgie: Mr. Speaker, let me make it clear that I do not know anybody in this room who would not like to be able to say that prices will go up by only five per cent. But the member for Welland-Thorold is a very intelligent man. He is not naïve enough to think the prices paid for gas and for transporting that gas here do not have to be paid for in some way.

No one has any control over such costs. He knows very well they have to be passed through. It is nice to say it and to pretend it can be done, but, as a thinking person, the member knows very well it cannot be done. He knows very well that we will endeavour to hold prices down as much as is humanly possible.

10:10 a.m.

Mr. Martel: The workers can control their mortgage rate, can't they?

Mr. Speaker: Order.

Mr. Martel: Well, that's what's at stake, for crying out loud. Don't give us that nonsense.

Mr. Bradley: Don't yell at your friends.

Mr. Wildman: You're the ones who are supporting them.

Mr. Peterson: Well, if you don't like them, don't invite them over for dinner.

Mr. Speaker: Order. I caution the member for Sudbury East (Mr. Martel); I will not tolerate any more outbursts of that kind. I also caution the people in the public galleries, our visitors, that they are not to partake in any demonstrations; otherwise, I will have to clear the galleries.

Final supplementary; the Leader of the Opposition.

Mr. Peterson: I have another question with respect to the procedures and the secret meetings of the board and the fact that it does not have to disclose. This supplementary is with respect to the wage side. Subsection 3(4) of the bill states that the Inflation Restraint Board "is not required to give reasons for any final order, decision or determination made by it, but notwithstanding the Statutory Powers Procedure Act or any other rule of law. . ."

In other words, the minister has gone out of his way to ensure that the board will not have to justify its decisions in the same way that other regulatory boards do in this province. Should not a group of workers have the right to be notified of the criteria and the reasons a decision was made in any given circumstances? Why is he keeping this whole business so secret?

Hon. Mr. Elgie: I will refer that question to my colleague the Treasurer.

Hon. F. S. Miller: There is no attempt, and I think my colleague has pointed this out, to keep things secret. The fact remains that one could have a very large, very bureaucratic and very lengthy process if one wanted to go through all the steps the Leader of the Opposition is trying to point out. We have a one-year program. We are trying to keep it as fair and as simple as possible, and that is why that clause is in there.

Mr. Peterson: That is like arguing that the Spanish inquisition was fair. Look, it has to be open and public and everybody has to know the rules for it to be fair. The Treasurer is not doing that; he is destroying the efficacy of his own program already. We are trying to help him. He should not be so stupid.

Mr. Mackenzie: Right on, Dave. Right on target.

Mr. Swart: He's the latest member of the Tory party.

Mr. Peterson: Let me tell my friends, I am a little embarrassed. Frankly, it is not very nice to have such stupid—

Mr. Speaker: Order. The Leader of the Opposition will direct his questions over here, thank you.

Mr. Peterson: It is Friday, Mr. Speaker; I will ask an easy question.

PUBLIC DRINKING HOURS

Mr. Peterson: Mr. Speaker, why is it that the Minister of Consumer and Commercial Relations in his judgement felt that the international bankers who came to this great province for a conference were mature enough to drink until three o'clock in the morning and that the bars should remain open until that hour, when he does not feel that the people of Ontario are mature enough to do that without the presence of these visitors?

Hon. Mr. Elgie: Mr. Speaker, I know there has been a lot of idle comment on that whole issue, but I think the facts are pretty clear. The facts are that the International Monetary Fund is an arm of the United Nations. The federal government indicated to us that since there were people with diplomatic status coming from many nations and since the habits of many of those people were much different from ours, it might be of interest if we could alter the drinking hours.

As a world traveller, the Leader of the Opposition knows some things I do not know, but it is my understanding that when he travels to Italy or Greece, for example, as he does so often and as his colleagues are doing now, he may not start the evening dinner, for example, until 11 o'clock. That is a cultural difference we were asked to accept and to understand, and we did.

Any hotel where the IMF delegates were attending was allowed to extend its hours for that reason. There was no mystery or secret about it. It was acknowledging the cultural differences of visitors coming to this country with diplomatic status. I think we should be commended for doing that.

Mr. Peterson: The minister personally runs the risk of being seen as an incredible hypocrite in this matter. Is he suggesting that there is an incredible cultural difference in Republicans in the United States when they come here? Does he extend the bar hours for them?

Why does he make these arbitrary judgements? Why does he take it upon himself to make these judgements about cultural differences and whether one can drink until one or three o'clock in the morning, depending on his personal conception of their cultural differences or the public morality involved? Is that not a pretty hypocritical thing to do? What are his rules for doing that?

Hon. Mr. Elgie: I do not know the Leader of the Opposition's views on Republicans. Perhaps he would like to expound on that a little later. I had nothing to do with that issue.

But, as to what we are talking about now, I would like to think that what I and the board exercised in that area was a thoughtful judgement. The Leader of the Opposition should try it some time; it might work for him.

Mr. Foulds: Mr. Speaker, considering the variety of cultural differences in the multicultural heritage of Ontario, does the minister not think the board might make a thoughtful judgement on behalf of the people of Ontario as well?

Hon. Mr. Elgie: Mr. Speaker, I do not believe the honourable member is implying that I am not aware of the cultural differences of people in this community. I respect them greatly. I have endeavoured in many ways to show that respect and will continue to do so.

What I said was that in the cultures of many of the groups that were visiting this city at that time, their eating habits, working hours and daily schedules are entirely different from ours, and their lifestyle is different from ours because of that. Most of the citizens of our province have similar working schedules. The hours of starting work, the hours of finishing work and the times when they eat are pretty standardized.

We were trying to show some respect for visitors. I think that is something we should be doing.

Mr. Peterson: In trying to build that respect for the visitors, does the minister not feel again that changing the liquor laws for a few days to meet their purposes and then having to be pressured into allowing Ontarians to have the same hours, as well as giving those international bankers cut-rate Scotch, letting them buy bottles of Scotch at half price or whatever and forgoing that revenue, makes him look like a hypocrite, particularly when he is trying now to bring in a restraint program and asking for universal co-operation? Does he not think that those kinds of acts he commits destroy his own moral and political efficacy?

Hon. Mr. Elgie: I have always thought that genuine respect should not be set aside for particular occasions that have a public purpose, and I do not intend to do that.

Setting aside what I think were some provocative remarks that the Leader of the Opposition really did not mean in his heart, all I will say to him quite openly and frankly is that if he explores legislative documents in Ottawa he will find that once an order in council triggers a process under legislation in Ottawa, we have no choice in the matter. As an arm of the United Nations, the monetary bankers were considered to be diplomats and the taxes applied to that alcohol were immediately taken away.

Before my friend accuses people of duplicity and of silly things, he should understand what the law is.

10:20 a.m.

ONTARIO BICENTENNIAL

Mr. Foulds: Mr. Speaker, I have a question for the Premier. Can the Premier explain why, in this time of so-called government restraint, the government appears to be pushing ahead with plans to spend between \$5.5 million and \$10 million on the so-called bicentennial celebrations of Ontario in 1984, which the Provincial Secretary for Social Development (Mrs. Birch) announced last July?

I ask this question in the light of the analysis of a poll done by Kwechansky Marketing Research Inc. showing that "there was much concern about costs" and confirming the findings of the first poll, which showed that "the overall climate of receptivity for a bicentennial ranged from hostile to indifferent."

Is the government pressing ahead with its plans because "Ontario is in need of a celebration for whatever reason, since the province's image has taken a downturn in recent years and Ontarians need something to bolster their spirits"?

If the Premier is serious about government restraint, why did he not announce the cancellation of this expenditure, which would have saved as much as the cancellation of the jet?

Hon. Mr. Davis: Mr. Speaker, I do not know where the honourable member gets the figures from. Just to ease his mind, no determination as to the extent of expenditure for the bicentennial year has been made.

Mr. Laughren: Oh, did you tell the Provincial Secretary for Social Development that?

Hon. Mr. Davis: I just tell the member it has not.

The member may not wish to participate, whatever amount is spent on the bicentennial. I think it would be rather regrettable if the New Democratic Party in this province did not have some sense of the history and the tradition of this province and was not prepared to join in those celebrations.

I often think that party really does suffer from a lack of appreciation of history and of what makes up this province; it has no understanding of and no pride in Ontario, and no desire to communicate this to the people of the province. I understand that. That is why they remain a party such as they are, with such a very narrow base; that is why they will continue that way.

If Walter Pitman were back here, he would not be agreeing with those members. Some of the more enlightened former members of the party would not be agreeing with them. They had some sense of this province. But the members opposite wear blinders; they have no understanding.

Mr. Foulds: Let me remind the Premier, as a student of history, that the book they are flogging, called *As She Began*, omits altogether one of the great loyalists and builders of this province, Richard Cartwright. So much for the Premier's sense of history and the sense of history of his committee that is promoting this bicentennial.

Interjections.

Mr. Speaker: Order.

Mr. Foulds: When George Orwell wrote 1984, I know he was not aware that Ontario would be having an election in 1985.

How does the Premier explain these presentations, which I believe were made to the committee for the promotion of the communication strategy for the bicentennial and which had figures attached to them showing that there would be "at least \$5.5 million" in expenditures "to establish awareness of the significance of 1984" and \$1 million "to generate a festive celebratory feeling during 1984"? And that leaves aside the projected cost of a film that may be used to develop the celebratory feeling leading up to the celebration.

Does the Premier realize that with the \$5.5 million he is projecting to spend on the bicentennial, and which he has not publicly cancelled, he could have allowed 5,500 clerical workers to retain at least \$1,000 each, which they will lose under his wage control program?

Hon. Mr. Davis: I guess the member really did not listen to the answer to the first question. He

was probably caught off base, as he so often is. He did not want to listen. I only say to him there have been proposals made. We go through this with some regularity over the years. I am sure we went through this in 1967, although I was not a part of it, as it related to our Confederation date.

I can only say to the member what I said a few moments ago: there has been no funding approved of that nature whatsoever. It is being assessed very carefully by those responsible. But I will say to the member now that in some way or other, at funds substantially below that, we are going to celebrate this province's bicentennial. The member does not have to do it; he can sit around and do whatever he wants. But I just hope a lot of Ontarians will join in the celebration of the bicentennial. I understand why he wants to opt out.

Mr. Foulds: Does the Premier not feel, when he is asking working people of this province to tighten their belts, that it is his obligation as the Premier of the province at this time to announce publicly the cancellation of the expense on this 1984 extravaganza?

Does he not think it is important for him to instruct the Minister of Community and Social Services (Mr. Drea), for example, not to transfer one cent from social assistance to this public relations program?

Is it not important for him to tell the Minister of the Environment (Mr. Norton) not to transfer funds from environmental protection to this birthday celebration?

Does he not think it is important for him to tell the Minister of Education (Miss Stephenson) not to transfer funds for school texts and classrooms of this province to this propaganda plan?

Does he not admit that under discussion before cabinet and this committee is the directive that the money for the program, and for the birthday celebration, is "to come from existing budgets"?

Hon. Mr. Davis: I will try for the third time to enlighten the member. It is very difficult to cancel something that has not been approved.

Can I spell it out for the member? There has been a committee working for some time related to the bicentennial. They have made certain proposals. The proposals have not been accepted by cabinet. We have not committed any budget in terms of the bicentennial.

Mr. Foulds: Then why did the Provincial

Secretary for Social Development announce it in July?

Hon. Mr. Davis: Because we are going to have a bicentennial celebration. I repeat for the fourth time, the member does not have to be a part of it.

WAGE RESTRAINTS

Mr. Foulds: Mr. Speaker, in the absence of the Treasurer (Mr. F. S. Miller), I will direct a question to the Minister of Labour for clarification. I hope he was in on the discussions of the drafting of the legislation.

Can he explain why the government chose October 1, 1982, as the beginning of the control year for wages when that effectively puts 29,000 nurses and 20,000 Canadian Union of Public Employees hospital workers under controls for two years instead of one year?

Hon. Mr. Ramsay: Mr. Speaker, I cannot explain the reason for the October 1 date. However—

Mr. Cooke: It's just a coincidence.

Interjections.

Hon. Mr. Ramsay: Just hold on. However, I know there was absolutely no relationship between the October 1 date and the contracts that the member has mentioned.

10:30 a.m.

Mr. Foulds: Mr. Speaker, if there was no deliberate connection in the choosing of that date, how does the minister explain the obvious injustice that is going to be wreaked upon this special group of health workers? Was there any discussion about whether that was going to be done to save money in the hospital sector so the Minister of Health (Mr. Grossman) could meet the doctors' demands? Does the minister not realize that if, ironically, he had set the date on September 21, which is the same date for the so-called price restraint part of the program, those workers would have been under wage restraint for only one year? Does he not believe that is an inconsistency that should be eliminated?

Hon. Mr. Ramsay: Mr. Speaker, I can say without hesitation that in any meeting I was involved in there was absolutely no discussion, such as the member suggests, as to the date in relationship to the hospital workers—absolutely none. I would also suggest that, regardless of what date was finally established, somebody was going to suffer.

Mr. Foulds: Does the minister not realize that the imposition of this particular date destroys

the historical balance that was established between the Canadian Union of Public Employees hospital workers and other service employees in the collective bargaining process? Does not his last statement simply underline the fact that these controls and this system are unfair to all the public service employees of this province?

Hon. Mr. Ramsay: On the contrary, I do not believe these controls are unfair to any particular group. What I indicated before and what I repeat now is, regardless of what date was set, there would be groups that would be inconvenienced or dislocated by it. The member knows that is a fact.

JOB CREATION

Mr. Van Horne: Mr. Speaker, a question of the Premier: Given the high and prolonged unemployment in many northern Ontario communities, and given the absence of any government reference to job creation in this current emergency session, can the Premier tell us if his government is giving any special consideration to job creation programs that would specifically assist those adversely affected citizens of the north?

Hon. Mr. Davis: Mr. Speaker, if the honourable member pursued some of the programs already in existence as they relate to northern Ontario, and I do not have the figure immediately available, but I think under section 38 some 3,000 jobs—part time, no question about it—have been created in northern Ontario. I think the Treasurer (Mr. F. S. Miller) indicated that, in terms of our overall approach to this, the whole question of economic recovery was as important to us as “restraint,” which is a part of what is necessary.

The Treasurer indicated, as I recall, addressing this to the member for London North, that he was pursuing discussions with the government of Canada. I made it very clear, I hope, in my own statement on Tuesday that I still had some hope that the Prime Minister of this country would convene a meeting of first ministers so that we could collectively discuss certain principles, objectives and suggestions, of which there were many in Halifax, related to this. The Treasurer also indicated that, if something did not emerge, later this fall he would have certain proposals to present to this House.

Mr. Van Horne: The Premier talks about restraint, but restraint has been a way of life for the northerners for some years. Aside from the 3,000 jobs to which the Premier made reference,

many of which are part-time jobs, I really do not know if there is any hope in his words for the people of the north.

I may be taking liberty with a supplementary, but I wonder, given the nature of this emergency session, if the Premier can give any assurance that one of the three members of the Inflation Restraint Board would be a native northerner so that the needs and concerns of the northerners would be properly reflected and considered by that board.

Hon. Mr. Davis: Mr. Speaker, I will not inquire what the honourable member means by a native northerner. Is he a native of northern London?

Mr. Van Horne: Don't make fun of this.

Hon. Mr. Davis: No. I do not hesitate at all to say that in the makeup of the board we will give consideration to some geographic representation. I hasten to add that because we do not yet know what the work load will be and how it will emerge I cannot give the honourable member the total number of people on the board. The legislation requires a minimum of three, as I recall. My guess is that there will be more than three, and I do not hesitate to say that yes, geographic representation would be quite appropriate.

Mr. Laughren: Mr. Speaker, may I assume that the Premier is aware of the emergency task force set up by the Minister of Industry and Trade (Mr. Walker) concerning the Canadian International Paper mill in Hawkesbury, which is shut down? May I make the assumption, first of all, that the Premier is aware of that task force?

Hon. Mr. Davis: Mr. Speaker, I am aware there is a task force.

Mr. Laughren: Thank you. I wonder if the Premier could tell us how he squares the fact that when the Minister of Industry and Trade set up the task force he said he set it up because the planned shutdown of the mill was a terrible tragedy and his main concern was securing permanent jobs for the 440 employees threatened by layoffs with the fact that in Sudbury, about 3,000-plus people have been permanently laid off—not temporarily shut down but permanently laid off—and we have heard not a peep from a single member of the government? They have done nothing but sit on their hands since that began, and they have had a year's notice.

Hon. Mr. Davis: With great respect, Mr. Speaker, that is not accurate.

IMPORT REPLACEMENT

Mr. Swart: Mr. Speaker, my question is to the Minister of Industry and Trade. We all know that recently he and his government have picked up on the New Democratic Party theme of import replacement. As an example, in his May 31 speech to the Ontario Chamber of Commerce he said, "Most of all I want to be satisfied that our initiatives lead to new jobs, new investment, increased exports and import replacement."

Unfortunately, of course, that is only rhetoric on the part of the government. The phasing out of production here and replacing it with imports is being increasingly practiced by many companies in this province, as we know.

Specifically, is the minister aware that the Canadian Carborundum Co. Ltd., of Niagara Falls, which is, of course, a branch of a multinational company, is importing grinding wheels from its plants in Germany and Puerto Rico and knife sharpeners from its plants in Brazil? Until just recently they were produced in the Niagara Falls plant. Employment has thus dropped from 268 in January to 172 on July 1, and the remaining employees are now on a four-day work week.

Has the minister the courage to intervene with the Carborundum Co. and other companies to tell them that these goods must be produced here and that he will enact penalties if they are not?

Hon. Mr. Walker: Mr. Speaker, to my knowledge there is no power within any legislation that might affect this government or relate to this Legislature that would give this minister or any minister the authority to use that kind of rather draconian approach. However, the honourable member has raised a very interesting point, and I am certainly prepared to look into the question. If it is possible to establish some form of import replacement, he can bet we will.

Mr. Swart: I have here one of these Carborundum imports; it actually is a knife sharpener. It comes into Canada already packaged. In small print on the back it says, "Made by Carborundum in Brazil." Does the minister know that it is taken out of this package and repackaged after it gets here—this same sharpener, which is made in Brazil—and this package simply says, "Canadian Carborundum Co., Printed in Canada"? There is no indication whatsoever that it is made in Brazil.

Does the minister not think this kind of tactic, which prevents Canadian consumers from knowing where the product they are buying is made,

is deceitful and is to be deplored? What steps has he taken or will he take to let consumers know where the product is made, at least?

10:40 a.m.

Hon. Mr. Walker: I certainly do consider that to be in effect almost perpetrating a fraud. When that kind of label is put on, it does purposely mislead. Labelling of course is a federal question. Labelling and packaging come within the federal level of jurisdiction. That is the kind of thing that should be reported to them and I trust the member will do that. Certainly, I am pleased to be made aware of that and I will take that up with the appropriate officials.

We have a very important job in this province to make sure that the consumer always knows what is a Canadian product. To that end, we expect to launch plans, that will probably be known in the not too distant future, that would indicate how we would go about that. It has been done in the past. There have been very successful moves to initiate a labelling system to ensure that when a consumer walks into a retailer's operation he or she can tell whether or not that product is made in Canada. We want to see that continued and we will be encouraging that very strongly. I think members will be aware of the plans shortly.

KEROSENE COLOURATION

Mr. Elston: Mr. Speaker, a question of the Minister of Revenue: The minister will know that his ministry has decided to force the colouring of kerosene in order that more tax money can be extracted from the citizens of Ontario. In particular, can he advise us why he has chosen to dye a fuel which, in the main and for all intents and purposes, can only be used for the purpose of home heating and heating of areas not supplied by natural gas and other efficient forms of fuel?

Hon. Mr. Ashe: Mr. Speaker, we are looking at the whole issue of kerosene. It is not quite as simple or simplistic as the honourable member puts it. As I understand it, from talking to people qualified in the field, there are generally quite a variety of qualities of kerosene. Many of the qualities, or parts of the sector, in fact are the same as other kinds of furnace oils. That is part of the problem we are trying to overcome with the colouration of fuels.

In other words, like other fuels that can be burnt in a heating system, that fuel can also be used for transportation. If we can come to some

resolution as to specific gravity components of the particular kerosenes in question, I think we can resolve it. In the meantime, discussions are going on and it will have to be coloured along with all the other middle distillates.

Mr. Elston: The minister should be aware that many of the bulk suppliers of kerosene have advised their retail outlets that it is not recommended to sell the dyed fuel for the purposes of home heating inasmuch as it may cause fuming in the burners or it may cause a malfunction in the burning units which may cause some damage.

For these reasons, will the minister advise us that he will temporarily suspend the dyeing of the kerosene fuel in order to ensure that the public are not injured in any way because of the fact that there are no studies which his ministry can produce, as far as I understand to this point, with respect to the relative safety to the public of this dyeing program?

Hon. Mr. Ashe: Needless to say we have no indication whatsoever, which I emphasize, that there is any problem or any anticipated problem in the burning of kerosene. Keep in mind the actual colour additive is in the amount of 20 parts per million. If one thinks of the proverbial drop in the bucket, that is exactly it. Tests are being carried out that we hope will confirm the fact that there are no problems at all.

If we had had any proof put before us that there was a problem, obviously we would have taken the measure that has been indicated and asked for by the honourable member. Until such time we have some indication that there is a problem, we are still presuming that there is no problem but we are carrying on testing.

TRUE TEMPER LAYOFFS

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Labour. Would the minister indicate to this House what response he has had from the American management of True Temper Canada Ltd. of Hamilton as a result of his meetings of September 3 and any correspondence since?

Further, during these meetings, did he clearly state the position he told me he agreed with in our conversations? Did he make clear the position that to lay off some 70 employees in Hamilton, to dismiss them totally and to set up a new operation in Tillsonburg which could hire up to 100, but which would not allow any of the Hamilton employees the right to any of the jobs there, was simply unacceptable in Ontario?

Hon. Mr. Ramsay: Mr. Speaker, the honour-

able member for Hamilton East is correct. I did meet with officials from True Temper, including a top-ranking official from its American operation. I did state clearly I was disturbed about the fact they were proposing to move their facilities from Hamilton to Tillsonburg without giving the workers in Hamilton first refusal on the jobs in Tillsonburg. That was clearly stated at that time. They have responded to me on an interim basis and have indicated they are reconsidering their position.

Mr. Mackenzie: The reconsideration is very weak from what I have seen. In view of the position taken by the minister that the situation was intolerable, which was correct, is he prepared to assure us this will not be allowed to happen? Is he prepared to take whatever action is necessary within his government to ensure this putdown of the workers is not allowed in the True Temper operation?

Hon. Mr. Ramsay: Basically, I agree with what the member is saying. However, I think we have to bear in mind one thing in this whole situation. True Temper's operations are being severely undercut from a competitive point of view by a Quebec operation and it has lost a considerable portion of its market.

I would not want to see True Temper close its doors. If moving to another location will maintain that operation in Canada and in Ontario, I think we have to co-operate as much as possible. However, I believe there is an obligation on behalf of the company to protect the workers it has at the present time and I fully intend to do everything at my disposal to make sure it does.

ASSISTANCE TO BEEF PRODUCERS

Mr. Watson: Mr. Speaker, I have a question for the Minister of Agriculture and Food. Could the minister advise this House whether the beef cattle financial protection plan is in place with regard to the Windsor Packing Co. Ltd. receivership? Will the people who have shipped livestock be eligible for payments under that program?

Hon. Mr. Timbrell: Mr. Speaker, the beef cattle protection program came into force on September 1. The ministry was informed early on Wednesday morning that Windsor Packing had gone into voluntary receivership at the close of business on Tuesday. We immediately sent in investigators to look at this situation and those eligible producers will be covered by the plan.

Mr. McGuigan: Mr. Speaker, I have been asking about the possibility of making the program retroactive for those people who were hurt in the McIntyre bankruptcy. Can the minister give us some legal and financial reasons why it cannot be carried back? Is he thinking of going back several years? Could the minister give us some more information on what he bases his decision?

Hon. Mr. Timbrell: Mr. Speaker, I dealt with this matter in answer to a question from either the honourable member or, I think, the member for Essex North (Mr. Ruston) around the first week in July. Very simply, it is impossible to choose a date that would be fair to all. I am not necessarily thinking of years. The plan came into effect on September 1 and I think it is not really possible to consider any retroactivity.

10:50 a.m.

Mr. Cooke: Mr. Speaker, I would like to ask the Minister of Agriculture and Food if he would confer with the Minister of Labour (Mr. Ramsay) to deal with the other side of the problem, that is the employees who work at this plant. As he probably knows, when they arrived at work the other day there was a posted sign that said: "Your job has disappeared. The plant is closed." They had no prior notice. Their paycheques have been stopped. Their vacation pay is owing to them. Could the Minister of Agriculture and Food make sure that the Minister of Labour is involved in this as well to make certain the workers are protected in this case?

Hon. Mr. Timbrell: Mr. Speaker, I am certain the Minister of Labour is aware of it. The minister seems to have left the chamber for a minute, but I will make sure that he is apprised of the member's concerns.

ASSISTANCE TO TOBACCO PRODUCERS

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Agriculture and Food. In view of the devastating crop loss that has affected many farmers and the farm labour force in Haldimand-Norfolk and the surrounding area due to the unusual and unexpected killer frost in that area on the morning of August 29—the earliest since August 24, 1940—and in view of the resolution from the local townships of Norfolk and Delhi and the Ontario Flue-Cured Tobacco Growers Marketing Board considering it a national disaster and calling for provincial assistance for the area, where it is estimated that 90 per cent of the unharvested crops were destroyed, will the minister indicate

what special financial assistance he plans to offer to those producers who may find themselves in need because of high interest rate payments and extensive financial commitments, since crop insurance will not cover many of these costs?

Hon. Mr. Timbrell: Mr. Speaker, we have two programs available to assist. The first is the crop insurance program, which, as the honourable member knows, has been available for a great many years to cover the commodities in question. Work obviously began immediately the problem arose to determine the extent of damage and the extent of the crop that could still be harvested for sale. In a matter of time, conclusions will be made as to the extent of the crop insurance payout.

The second type of assistance is available through the Ontario farm adjustment assistance program. We have encouraged individuals who have been affected to speak with our representatives about their possible eligibility for assistance under that program, particularly for option B under OFAAP, which is a maximum five percentage point rebate of interest on outstanding debt.

Mr. McGuigan: Mr. Speaker, I would like to ask the minister about the cases that were looked at by the agricultural representatives in Kent and Elgin in the spring of 1982. Based on normal yields and normal prices, they would seem to be good cases for assistance. However, since that time, the ag reps have been looking at some of these cases and finding that, because of such natural disasters, and especially the deterioration in the price, in the case of grains—corn, for instance, was projected at \$3 a bushel and we are now looking at \$2; beans were projected at \$7 and we are looking at \$5 plus—these cases would appear to be headed for disaster when they are settled next spring. Has the minister given any thought to any system of rolling over these cases so that perhaps these people would have one more chance?

Hon. Mr. Timbrell: Mr. Speaker, at the moment we are involved in a review of OFAAP and our experience with it to date, in order to formulate some proposals to the cabinet of what we should do as the program moves towards its conclusion at the end of December 1982.

I might say, as I said yesterday to his colleague, the official critic, that looking to the longer term, we certainly believe it would be in the best interests of agriculture if we could get a

better national stabilization program than exists at present. The Ontario and Canadian federations of agriculture, the Ontario and Canadian cattlemen's associations, the Ontario and Canadian pork producers, grocery products manufacturers, all these organizations have endorsed the principle of development of a three-way national stabilization program to which we committed ourselves in the throne speech of March 9, 1982, and towards which we have been working very hard. Unfortunately, we have not been able to get a definite answer one way or the other from the federal government.

Certainly, as I suggested to the honourable member's colleague yesterday, there may be some things they could do to assist us in getting an answer. I can assure them that we are taking steps in consultation with other provincial governments to bring the matter to a head this fall, one way or another.

Mr. Swart: Mr. Speaker, the minister must know that his supplementary farm income stabilization program in this province is just as inadequate as is the federal program. Specifically, I would ask him whether he intends to table a report in this House on this disaster, and when that will be. Will he include in it those disaster cases so that this assembly can determine whether there should be some form of additional assistance going to those people who may be wiped out by that frost?

Hon. Mr. Timbrell: Mr. Speaker, I had not planned to table a report on this particular situation. As the Treasurer alluded yesterday, we anticipate that the call down on the crop insurance fund this year is going to be rather substantial, particularly due to that late August frost. Certainly, we will be discussing with the federal government how that shortfall in the crop insurance fund revenue is going to be met because a substantial amount of money is going to have to be loaned; but I had not planned on a report.

I noted the honourable member's comments in several of the newspapers supporting the crop insurance program. That program was put in place many years ago to assist those growers who voluntarily participate in it to meet the unexpected and the unusual, which we have seen in several cases this year and which we will see in any given year.

RENT CONTROL

Mr. Philip: Mr. Speaker, a question to the Minister of Consumer and Commercial Relations: Can the minister justify excluding rent

increases from scrutiny under the administered prices restraint program for which he is responsible?

Hon. Mr. Elgie: Mr. Speaker, the member for Etobicoke can really analyse the whole situation for himself and appreciate that the rent restraint program has been in effect since 1975. It remains in place. It has been there to restrain rent increases for seven years now. The government does not see any reason to alter that program that was put in place at the time of the original wage and price programs in 1975.

Mr. Philip: Is the minister not aware that even under the present rent review program for those buildings included, tenants in this province are receiving increases of 30, 40 and 50 per cent?

Would he comment on the justice of the case of two buildings in Hamilton, consisting of 200 units, that were sold to Stevenson Investments in January 1981 for \$2.5 million? Stevenson paid only \$37,000 down and financed the balance. The buildings were resold in April 1982 for \$4.8 million, giving Stevenson a 6,212 per cent return on investment, while the tenants are being asked for a 30 per cent increase in their rents to finance that.

What kind of protection is the minister giving to those tenants under the rent review system, including some tenants whose wages will be frozen by the government at five per cent?

Hon. Mr. Elgie: First, we have to analyse the rent review program. We know and understand the rationale behind it; namely, that there can be a six per cent increase in rents unless there can be justification for pass-through of costs; not for increased profits, but for pass-through of costs.

As recently as March 1981, the member for Etobicoke and I and a representative of the Liberal Party quite honestly and openly said that figure might have to go up if inflation continued, but it has not gone up and inflation has continued, so it is true there are undoubtedly many more landlords going to rent review than would have gone in the past.

11 a.m.

The member and I both know, as the leader of his party said clearly in an article in the Toronto Star in mid-August, the key reason rent increases are going up is due to energy costs and interest costs. The program this government is putting in place as an example to the private sector, and one would hope someone else will act if the private sector does not respond, is aimed at reducing inflation and interest rates and, there-

fore, endeavours to help those tenants who are paying those costs because their landlords are forced to pay them.

We have to be logical about this thing. I understand it is important for some people to find scapegoats, but the member's acting leader yesterday afternoon spoke very strongly about a society and a Legislature that should not seek scapegoats, so the member should not start doing it. Let us start thinking logically about these issues. I believe what he said and I am sure the member believes what he said. He should not arbitrarily go after scapegoats when he does not really mean it.

If there are specific cases in Hamilton, and I am sure the member knows I do not have the details here, I will certainly look into them. As long as they are not cases still in the process of review, I will be glad to respond. If they are still in the process of review, he knows I cannot comment while they are in that process.

Mr. Bradley: Mr. Speaker, would the minister indicate to the House whether his ministry or the Residential Tenancy Commission is doing any kind of special investigation at present?

Recognizing there are some pass-through costs, and I think everybody recognizes that, is he doing any kind of investigation of some of the refinancing schemes that have all the appearance, at least on the surface, of simply manipulating figures as an excuse to gain more money through the rent review process? Is he doing any investigation of that and, if so, what has he found?

Hon. Mr. Elgie: Mr. Speaker, I do not think the member is suggesting we need some special investigation, because I hope he will accept, as I do, that the commissioners endeavour to see through transactions.

For example, as I am sure he read two or three weeks ago, one of the commissioners saw through—in his eyes; now it may be appealed so I do not want to say whether he is right or wrong—a particular transaction where a building was transferred to a son of one of the previous owners, which was deemed not to be a transfer that allowed full pass-through of costs.

He has not come out with a judgement yet saying what the rent increase will be, but he did make that point. I think that reflects the fact the commissioners are aware there can be problems sometimes and that they do endeavour to deal with them. I am not quite sure what point there would be in a study when the commissioners already put their minds to those issues.

Mr. Bradley: There is a widespread problem but I will discuss that with the minister later.

GENERAL MOTORS

Mr. Bradley: Mr. Speaker, my next question is for the Minister of Industry and Trade. The city of St. Catharines and the auto workers in that area have received some rather interesting news lately which initially appeared to be very happy news, that a new contract had been obtained and there would be a number of employment opportunities available to those who had been laid off in the area.

Could the minister report to the House what new events have transpired that would make people feel a little uneasy about that and perhaps put in balance the losses and gains in the recent announcements made by General Motors?

Hon. Mr. Walker: Mr. Speaker, I think there has been a substantial net gain in terms of what has happened with General Motors in St. Catharines.

As we understand the situation, there will be a net gain of 500 absolutely brand new jobs in St. Catharines in the next few months. There had been some initial reports it might be in just a few weeks. However, our understanding is it will probably take until the end of November and maybe into December before the 500 net new jobs are created there by the transfer of the engine works from Tonawanda, New York, to the St. Catharines GM plant.

There is a substantial net gain there that goes a long way to pick up on the 563 people, I think it is, who have been laid off or are on indefinite layoff from the engine and axle plant and the foundry. I think the 563 jobs that are indefinite layoffs are being replaced by 500 brand new jobs. That is a plus. It is certainly a very substantial step that is being made, and it shows some continued faith in the automobile industry not only in Ontario but also in Canada.

The other side of this is that there is a transfer from one engine to another engine, from the front-wheel-drive to the rear-wheel-drive engine. Accordingly, a certain amount of inventory adjustment and retooling will no doubt have to occur. As I understand it, our information is that there will be a temporary period of layoff, as much as two weeks, for a substantial number of the employees, and there is something like 2,000 employees.

So while it is very regrettable that there is this temporary layoff and it does cover a period of two weeks—and I hope it does not go any

further—the fact is that when everything is distilled in the process and everything is settled out, there are 500 new jobs that appear to be created now in St. Catharines. That really has to go a long way towards correcting some of the unfortunate levels of unemployment that have been experienced in St. Catharines in the past year.

I think it shows there is a bit of an inspiration in the automobile market. I have been watching some of the figures. The figures that came out on Wednesday of this week are quite promising as they relate to Ford and Chrysler. Both are up substantially over the past year. The year-over-year increase is fairly substantial, and even from last week to this week they seem to be projecting a further 10,000 vehicles to be manufactured in Ontario.

General Motors is certainly down, and there have been a lot of reasons for that, relating to certain plants and to the engines. I think the engines that are in the plant today at St. Catharines are being produced in far smaller quantity than the new rear-wheel-drive engines that will be produced. The level there is expected to be 1,100 per day. So there is a substantial increase, a substantial leg up and certainly an optimistic sign for the St. Catharines area.

MOTIONS

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on resources development be authorized to sit Wednesday, September 29, 1982, and to travel to Windsor.

Motion agreed to.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Laughren moved, seconded by Mr. Martel, pursuant to standing order 34(a), that the ordinary business of the House be set aside to discuss a matter of urgent public importance, that being the severe deterioration of economic and social conditions in Sudbury during the past three months, and the serious problems now and in the immediate future facing the community with Canada's highest unemployment rate and no expectation that government at any level will take any substantive actions to resolve these problems.

Mr. Speaker: I beg to advise the House that the notice of motion was received in time; it does comply with the standing order, and I will

be pleased to listen to the honourable member for up to five minutes as to why he thinks the ordinary business of the House should be set aside.

Mr. Laughren: Thank you, Mr. Speaker. I will not comment on my feelings about having to justify an emergency debate on the conditions in Sudbury. We do indeed have Canada's highest unemployment rate. It is almost 27 per cent and rising. We have had layoffs this year of 850 earlier and 2,000 more recently, and that is not even counting the salaried employees; that is only the hourly-rated, so it is over 3,000 direct job losses.

If I were to use the argument of the Minister of Industry and Trade (Mr. Walker) about spinoff jobs when he creates jobs, we would be losing tens of thousands of jobs in the Sudbury basin. On top of that, we have had a shutdown from June and it will last until January. I do not know how one can shut down a community like that for a period of six months.

11:10 a.m.

Those 3,000 lost jobs represent businesses, homes and people's educations. In the long run, we do not even know what the impact is going to be. I do know that between 1976 and 1981 Sudbury led Canada in the loss of population of major metropolitan areas. It certainly led Ontario. We can say with some certainty that the future of Sudbury is hanging in the balance of what happens in the next couple of years in that community. If all those people who have been laid off leave the community, the small business community will be devastated by that exodus. If they do not leave, if they stay in Sudbury because of lack of job opportunities elsewhere, then the welfare rates are going to be staggering and, might I say, frightening.

If the members on the government side think for one moment that workers who one minute are proud miners and smelter workers, the next minute are going to be accepting unemployment insurance benefits and after that welfare benefits, they are sadly mistaken. The workers will not accept that, nor should they. I might say I am not making the distinction that certain members of the Conservative Party make when they talk about unrest in the community.

We believe, on this side, there are some very positive actions that can be taken, but we are very worried when we hear some of the comments coming from the other side. When we see the Minister of Industry and Trade set up a task force in one community and ignore the prob-

lems in Sudbury, when we hear the Minister of Natural Resources (Mr. Pope) make asinine statements in a smart-ass performance that was put on yesterday between himself and the member for Cochrane North (Mr. Piché), we despair that the government is ever going to treat the problems in Sudbury very seriously. We really do despair.

This morning the Premier (Mr. Davis) had absolutely no response to the question of why the minister could have a task force set up in one community with a loss of 400-odd jobs while no substantive measures whatsoever are happening in the Sudbury community where there are over 3,000 jobs lost. Let the Minister of Natural Resources take his place today and tell us about all the make-work projects he has done, his meetings with the federal minister, Lloyd Axworthy, and unemployment insurance. That is not what people in Sudbury want or deserve. We deserve much better than that in that community and expect some answers from the government as to what the long-term plans are.

We would like to lay before the Legislature this morning some very specific proposals as to what we see the answers to be. We have some very specific suggestions to make on the industrial diversification of the community, further processing of minerals, pollution abatement plans, import replacement and self-sufficiency in the community.

We should not have to keep repeating ourselves; this is the second emergency debate in this chamber on Sudbury in less than six months. When members from local ridings like the Sudbury area have to rise in their places twice in six months to provoke an emergency debate in this chamber, it is an indication of just how little the government is doing about the problems in that community.

The people in the community were told that all they needed to help them out was a member on the government side. I have some questions for the member on the government side if this debate goes through this morning. There are some very specific answers we would like to have, because we have made some very specific proposals. It is with that in mind that we have moved this motion to set aside the regular business of the chamber. We did not do it lightly. The problem is serious. It is getting more serious. I very much hope we can proceed with this debate this morning.

Mr. Van Horne: Mr. Speaker, it is a pleasure to rise and give support to this motion from the member for Nickel Belt. By way of a few

introductory comments in what I hope will be a longer debate, I would point out to the members that this is not the first time the House has been asked to consider the plight of Sudbury or some other northern community.

One does not have to look back too many years to another layoff situation in the Sudbury basin. Back in the 1977 era, for example, there were many problems facing that community and many things said by politicians and leaders of some sort or other about the situation facing the people of Sudbury.

Things like this were said: "What the Inco layoffs illustrate more than anything else is the devastating vacuum in economic policy planning." That was said before, and I am afraid we are going to have to say it again.

This theme or thought goes on to point a finger of blame not just at the federal government, as is the wont of some politicians here in Ontario, but also at the provincial government. Both levels have to share some responsibility. It is fairly evident that neither Ottawa nor Queen's Park has had a single, sensible response to what happens in a community that relies so heavily on a single resource industry when the demand for that resource either stops or slows down.

I had the opportunity, when I heard that we might be debating this, to look through some notes of a speech made by the Minister of Northern Affairs (Mr. Bernier) when he was in Sudbury only a few months ago. In his speech of June 15, 1982, I find some rather interesting comments. He says, on page 2:

"While the situation in Sudbury is bleak, perhaps it is time to try and look beyond today, and time for some sober thought about what elements can and should be going into economic development in northern Ontario over the long term."

I ask, pray tell, where has the government been? What is the mandate of the Ministry of Natural Resources? Why are we talking about this again without any action?

In another part of his speech, he makes this statement: "It is the job of government, business and labour to work together to make the wisest use of what we have to maintain the strength of our major sectors, to broaden the processing and manufacturing of our resources in the north, to increase the value added in the north and to expand the base of the related service businesses in the north."

If that is the job, let me ask for some examples. What has been done? I am afraid the answer is not very evident to any of us.

I could go on and pick fault with what was said, but I think we have a more important task facing us right now. That task is to debate and, I hope, to pick from that debate some common sense that can be applied immediately to assist the people not only in Sudbury but in other northern communities that face a similar problem. We support the motion and I look forward to the debate.

Hon. Mr. Wells: Mr. Speaker, the government would agree that there is an extremely serious situation in Sudbury. We believe, however, this government can show it is taking action and that programs are in place, or will be in place, or are planned to combat and help the very serious situation in Sudbury.

For that reason, because we would like to make very clear to this House and to the people of this province and Sudbury what these plans and actions are, we would be very happy to take part in this debate. We support this motion to set aside the normal business this morning and debate this matter if you in your wisdom so decide.

Mr. Speaker: I have listened attentively to the presentations by all honourable members. I find I am in favour of the motion. The question before the House is, shall the debate proceed?

Motion agreed to.

Mr. Speaker: I call on the first speaker, the member for Nickel Belt. I would advise the member that he has 10 minutes.

UNEMPLOYMENT IN SUDBURY

Mr. Laughren: Mr. Speaker, I am pleased this debate is going forward. I mentioned in my earlier arguments that the unemployment rate there is flirting with 30 per cent. It is not as though this problem came upon us suddenly.

In 1977, the Ontario government produced a paper called, *Towards a Nickel Policy for the Province of Ontario*. The present Treasurer (Mr. F. S. Miller) was then the Minister of Natural Resources.

11:20 a.m.

Let me tell members a couple of the things in that report.

"(1) That the government of Ontario take the initiative in proposing to the nickel industry and concerned governments that a 'world nickel institute' be formed to obtain, study and publish a wide range of objective information on nickel on a continuous basis as is done by the small, low-cost but successful silver institute."

Report card: Absolutely nothing done despite the fact that was in 1977.

"(2) Encourage through special Ontario income and mining tax adjustments the adaptation and use of currently idle nickel refining capacity in Ontario and Alberta to refine part or all of that significant proportion of Ontario's mine output of nickel which still goes to Wales and Norway in semi-refined form for refining so as to create jobs in Canada. It is understood that the present Alberta refinery process does not recover precious metals."

So much for the Minister of Natural Resources' (Mr. Pope) silly arguments that one creates jobs by shipping ores out for refining.

"(3) Encourage the refining in Ontario or Canada of the byproduct platinum group metals (PGM) from Ontario nickel mines which now all go abroad for refining to metal. Ontario is the world's third largest source of platinum group metals, but after 50 years still has no PGM refinery based on primary feed. This change would create new jobs in northern Ontario or elsewhere in Canada."

The seventh proposal was, "Encourage consideration of direct reduction of nickel-bearing pyrrhotite generated in the nickel smelting process and utilization of the iron pellets in a mini steel plant in Sudbury, thereby creating new industry and employment—perhaps 700 jobs."

There are some very specific, positive suggestions that have been made not just by this party but by all sorts of people. The authors of that report know more about mining in northern Ontario than all that gang over there combined will ever know. Yet they ignore the authors' suggestions. Do the members know how out of touch this government is?

Here is a quote from the Minister of Northern Affairs (Mr. Bernier) in the Sudbury and District Labour Council's yearbook which came out on Labour Day: "Every year it seems more apparent that Sudbury has firmly established itself as one of the areas of economic growth and development in northeastern Ontario. The old Sudbury image is far behind the thriving, energetic city we know today."

If ever there was a minister of the crown who should resign, should never have been there in the first place, it is the present Minister of Northern Affairs. He is a complete ass and the members know it. That is what he is. He is a complete ass and he does not deserve to be Minister of Northern Affairs.

Then I picked up a press release from the

Minister of Industry and Trade (Mr. Walker). What is he saying? "We have an emergency in Hawkesbury because of a closedown of a plant and it is going to cost 440 jobs." What has the Minister of Industry and Trade said about Sudbury? One big fat zero.

Mr. Rotenberg: Mr. Speaker, on a point of order: I submit the member has used unparliamentary language with respect to the minister. I would ask he withdraw the remark about the Minister of Northern Affairs.

Mr. Martel: Mr. Speaker, I suggest that the member, who is quite familiar with the Bible, go back and read it. He will find out what an ass is and if he does not think his friend is that, so be it. We happen to have that opinion based on the statements that man just made. Please do not take up my colleague's 10 minutes on junk.

The Deputy Speaker: We are watching the time.

Mr. Rotenberg: Use parliamentary language.

Mr. Martel: That is parliamentary language. The good Lord used it daily when he was on earth so why don't you—

The Deputy Speaker: Order. I listened very closely to the language of the member for Nickel Belt. I was not overly happy with it. I am sure in terms of review you will consider using language more appropriate to this chamber.

Mr. Laughren: I will not call him a complete ass again in this speech, Mr. Speaker.

The Deputy Speaker: Order. You make my job awfully hard by—

Mr. Laughren: All right, Mr. Speaker, I will withdraw. He is not a complete ass.

I mentioned the export of nickel to Norway for refining as costing us jobs. We know it costs us jobs. The Minister of Natural Resources can get up and mouth the Falconbridge line all he likes. He is nothing but a puppet for Falconbridge anyway.

The other thing that is so offensive, and the present Treasurer brought it in, is they now allow Falconbridge to ship ores to Norway and write off the processing costs against the Ontario operations. Not only do we lose jobs, we lose tax revenues in Ontario at a time when they are crying for more money. I ask how that makes any sense.

I can hear the Minister of Natural Resources bleating about how we have to get into European markets and so forth. He has been had. We all know that. The people who know more about nickel than he will ever know, the experts,

have told us that. He just listens to the Falconbridge line.

The thing that prompted me to be so angry was the smart-ass performance and the sophomoric performance of the member for Cochrane North (Mr. Piché) and the Minister of Natural Resources yesterday about the phosphate deposits. How ridiculous can they get? They both say it is better to put the sulphur dioxide in the air and leave the phosphate in the ground, because in any other way you are going to take away jobs. What a ridiculous pair of northern members to make that kind of argument to let the status quo remain.

Mr. Piché: You should not have said that. There we go; we had that crap yesterday and we've got it again today.

Mr. Laughren: That is exactly what you said. Do not give me that nonsense.

Mr. Piché: It is terrible to try to resolve the problem the way you are going about it. How do you expect to get support?

Mr. Laughren: There is no shortage of suggestions for what should be done in Sudbury. We have laid a number of them before the government. We have said there should be a mining machinery operation in Sudbury. We do not have a mining machinery operation in Sudbury worthy of the name.

The member for Nipissing (Mr. Harris) and the member for Sudbury (Mr. Gordon) play a little game between them. The member for Nipissing says: "Oh no, do not do that. It takes jobs away from North Bay." My goodness, what a selfish, parochial view for a northern member to take. The amount of machinery that we could replace that is now being imported is unbelievable and the government allows that kind of nonsense to go on. Is it any wonder we do not take them seriously in Sudbury any more?

What about the member for Sudbury who was going to solve all our problems? When he was elected he said: "Climb the mountain with me. Sudbury has a great future. Just elect me. My government will do things." We have seen what has happened to Sudbury since then. Is there nothing better to do than to hand out cheques? Is the member going to hand out all the welfare cheques when they start being paid in Sudbury? Is that the new responsibility of the member for Sudbury?

We have a federal minister of mines in Sudbury, a federal parliamentary secretary and a provincial parliamentary assistant. Boy, oh, boy, has it ever turned the community around.

Is Sudbury ever blessed to have this centralization of power in our community. It is really remarkable.

I have had people telephone me to ask, "Is it true that the member for Sudbury went to the Sudbury Science Centre and handed out a cheque that the science centre had already spent a month or two before?" I said: "I do not know. You had better ask the member for Sudbury. If he needs publicity that badly, ask him. Do not ask me. I would rather not even know, to tell you the truth."

It is not just our party that is making these suggestions. The chamber of commerce told the government how irrelevant their policies are for northeastern Ontario. We have told them and their experts have told them what the answers are for nickel. When there is a downturn, the government uses that as an excuse. I can hear them now, "There is a downturn, you cannot do it now." About pollution abatement efforts, they will say, "Oh, the companies could not afford it now." In the last 10 years Inco alone took \$1.5 billion in profits out of the Sudbury basin. They have never lost money in Sudbury. Elsewhere, yes, but not in Sudbury.

What does the government do? They do not look at things over a 10, 20 or 30-year period. They use whatever arguments they want to make now. I can remember the original argument when we were asking for those exemptions to be ended. The argument put forth by the present Minister of Northern Affairs (Mr. Bernier)—I promised I would not talk about him any more—was, "We have to grant these exemptions in order to maintain a stable work force in the Sudbury community." What a joke that is.

What we want from the government this morning is some specific policy proposals that will turn the problems around in Sudbury because we do not have to take it any more and we will not. If they think the local members here are going to help keep a lid on things in Sudbury for them when things get hot, they are sadly mistaken. We have no intention of doing that.

Things are going to heat up in that community and the responsibility is theirs because they have done absolutely nothing substantive to turn it around. They have done a few make-work projects, yes, but nothing substantive, despite all the recommendations from their own people who have told them.

They sit on their collective butts and do nothing substantial at all. We have had enough of their temporary make-work projects. They do not replace a career for a miner or smelter

man. That is not good enough. We want more and we deserve more.

11:30 a.m.

Hon. Mr. Pope: Mr. Speaker, we do not expect anything positive or any assistance from the New Democratic Party members from Sudbury. We have never expected it. Why would they change their stripes now? They never have been positive or helpful with respect to Sudbury. There is no point in them changing.

They have given us their answer to the Sudbury problem. They have insulted the Minister of Northern Affairs and the Minister of Industry and Trade (Mr. Walker). They have said I am a puppet for Falconbridge. They forgot to add Inco, but they meant to add it in—even though the member talks to them more than I do; that is the truth and he knows it. He and his friend the member for Sudbury East (Mr. Martel) talk to them more than I do.

He called the member for Cochrane North (Mr. Piché) and myself ridiculous. He attacked the other member from Sudbury, he attacked the federal and provincial politicians from Sudbury and he attacked Inco. That is his answer to resolving the Sudbury problem.

Mr. Laughren: I have the answer right here.

Hon. Mr. Pope: He just gave us the NDP answer in 10 minutes, insulting everybody.

Mr. Laughren: The big blue book.

Hon. Mr. Pope: His party's policy for Sudbury is 10 minutes of insults. How appropriate, because that has been its attitude in northern Ontario for the past decade. That is why it is where it is.

The NDP members say the problems of the export markets in Europe and the United States right now are a result of the downturn of the market. That is all nonsense. They obviously do not know what is going on in the Interstate Commerce Commission.

Mr. Martel: Nobody says that. Don't be so silly.

Hon. Mr. Pope: They do not want to hear about this either. They obviously do not want to hear about what is going on right now with the International Trade Commission in the United States about Ontario's nickel producers, or in the American Congress right now about uranium, or in the European Economic Community about all our metals and raw products.

They do not want to hear about all these problems or about us securing export markets for finished and unfinished products and how

that affects jobs in the Sudbury area and every other resource community in the north.

They say I do not know what I am talking about when I say there is a demand by these markets to have some finishing and refining facilities in the European community, Britain and the United States. I want to read something to them. The members do not want to have a discussion on positive ideas or alternatives.

Mr. Cooke: Let's hear some positive ideas.

Hon. Mr. Pope: They do not want to have that in this forum. Maybe they'll grow up and we will get together outside this forum and come up with something for Sudbury. Maybe they will want to do that for a change and help the workers instead of being silk-stocking Socialists. Maybe they will help the working man.

This is a diplomatic note from the government of the United Kingdom. I am going to read it, because it tells what our predisposition is on refining as they understand our position and it will tell members what the realities are in that market right now. Maybe they will grow up and think about it for a change in terms of what it is going to do for those Sudbury miners. Maybe they will think for a change instead of attacking.

This is an aide-memoire under the seal of the United Kingdom government, "Export licence for precious metals concentrates from Ontario," and it reads as follows:

"1. The United Kingdom government understands that the Ontario government is considering not renewing the licence granted under the Ontario Mining Act to Inco Europe Limited for the export of precious metals concentrates from Ontario to the United Kingdom on the grounds that the refining of platinum group metals should be carried out in Ontario."

That is what we were considering. That is our predisposition.

Mr. Martel: We have been saying it for years. You should listen to what has been said for the past 15 years in here.

Hon. Mr. Pope: Just listen to the rest of it. Just listen and learn for a change and try to do something.

"2. It also understands that a similar licence for a 10-year period was granted to Falconbridge for refining such concentrates in Norway last year. The UK precious metals refinery at Acton was one of the assets acquired in 1929 by the International Nickel Company of Canada, formed through the merger of Mond Nickel Company and the International Company Limited. The continuation of the small operation at Acton

was important to the plans of the United Kingdom and Canadian interests in the setting up of Inco Canada.

"3. The refinery is one of only two primary precious metals refineries in Europe, and current output accounts for about one third of current consumption of platinum group metals in western Europe. The high value of the metal makes proximity to the market important.

"4. The Acton refinery employs 175 people and has a current book value of two million pounds. The cost of building a new refinery in Ontario would be in the region of 20 million pounds."

Listen to this:

"5. The United Kingdom government would regard failure to renew the licence very seriously since it would result in closure of the Acton refinery with employment and balance of payment consequences and would weaken the UK arm of Inco. This would be likely to have a direct effect on the sales of platinum group metals in the UK and it could affect our sales more widely in the European community."

Mr. Laughren: Who wrote that?

Hon. Mr. Pope: The United Kingdom government wrote that, my friend. They add that "it would also be contrary to the spirit of the 1929 agreement," and they ask us to reconsider.

That is what we are dealing with; if the member will read the realities of what is going on now in the European community, he will know that is exactly the problem. If he cuts off the refining facilities in Europe, his underground miners in Sudbury will have even less market demand for their product. Right now there are other sources—Russia, the Philippines and Botswana—that can meet the European needs. The member should grow up, recognize the market realities right now and let us work at trying to resolve the problem.

Mr. Martel: The realities right now are what have you done for 40 years?

Hon. Mr. Pope: The member laughs at the work programs. We never said they were permanent solutions. We said they were temporary. He should not try to say we said anything else. Do not be that much of a hypocrite, I say to my friend.

Mr. Laughren: What are your solutions?

Hon. Mr. Pope: My friend had better not talk, because we have heard his solutions; he does not have any. All he did was attack everyone else for 10 minutes. That is the NDP's answer for

everything. Anywhere they go, that is their answer.

We spent more than \$6 million in the Sudbury area this year under section 38. It is not a long-term solution; we admit that. But we wanted to help the working men and women of the Sudbury area, to help give a temporary uplift to the economy. The member may laugh at it, he may denigrate it, he may downgrade it. He is attacking the town of Valley East, the regional municipality of Sudbury, Sudbury district government, the town of Onaping Falls, the township of Rutherford, George Island and the Nickel District Conservation Authority. He is also attacking Mine Mill Local 598. Congratulations.

That is the member's answer, to attack everyone who has been trying to help the situation. I am glad that is his attitude, because we on the government side will work with the people of the Sudbury community. We have already given proposals to the federal government, and as soon as we have completed them we will work with the people of Sudbury to get long-term solutions and we will ignore the member, because he does not want to help.

Mr. Van Horne: Mr. Speaker, I observe that the minister suggested he meet the member for Nickel Belt (Mr. Laughren) outside the House and come up with a solution. If the tone of the meeting outside is anything like the tone we have just witnessed, I submit they will not come up with many solutions from that kind of encounter.

I indicated earlier that I was looking forward to joining in this debate because I do believe in the process of this Legislature. I remind the member for Nickel Belt and the member for Sudbury (Mr. Gordon) that my interest is not based solely on the legislative process.

Interjections.

The Deputy Speaker: Order.

Mr. Van Horne: I was saying that my interest is not based solely on the legislative process; it is also based on a concern for many friends and relatives of mine who are living in the north. I do not think one has to be overly sensitive to appreciate the situation many of those people up there are facing.

There are young people trying to attend university partially on their own resources who are unable to get even part-time jobs. There are people facing mortgage foreclosure because they have not been able to keep up the payments. People who had some sort of resource

through unemployment insurance are now faced with the prospect of going on welfare if they are not already on it.

It is not singularly a Sudbury problem, as I indicated. There are many others, as any of the members will see if they take the time to read Northern Ontario Business, which is sent to most of us. The September 1982 issue lists a considerable number of other closures, part-time or long-term, which affect many people: the Griffith Mine in Ear Falls, the Algoma layoffs, Sault Ste. Marie and Wawa, the Abitibi Price shutdowns—the list goes on and on and on, beyond the Sudbury basin.

I submit to members that we should put all our rhetoric and shouting aside and address ourselves to finding solutions or, at least, to offering suggestions that would lead to solutions.

11:40 a.m.

The major problem in northern Ontario, as many of us see it, is the one-industry syndrome. Most areas are devoid of a diversified economic structure and are subject to the wild fluctuations of national and international markets for the resources. We know that. We have known it for years.

Yet I think it is fair for us in opposition to point to the government and say: "You know that too. You are very much aware of that too. You have studied it to death in many different ways at many different times. Please, why don't you come up with a solution?"

In the past, northern Ontario has been treated virtually as a colony of the south. This colonial status has been reinforced in many ways. One has to look only at the recent suggestion of a two-tier hydro rate system, for example, transportation costs, or any number of factors that reflect that colonial attitude.

Ontario law says that metals mined in the province must be refined completely in Canada. Yet this Conservative government here in Ontario has passed hundreds of exemptions from that law, allowing millions of pounds of semi-precious metals out of the country, providing processing somewhere else. The law is, for all practical purposes, almost nonexistent.

Of the metallic minerals mined in Ontario, about 30 per cent of the zinc, 33 per cent of the nickel and 100 per cent of the platinum group metals are processed outside of Canada. I could go on to give similar figures for cadmium, cobalt and so on, but I am just giving those few examples.

Another problem is the lack of an adequate supply of replacement parts in the mining

industry. Most mining equipment parts are made outside of Canada, although these easily could be manufactured locally.

In 1980, Canada's trade deficit in drilling and mining machinery was approximately \$1.5 billion, which is five times more than it was in 1970. Ontario's 1979 deficit was \$250 million. The Treasurer (Mr. F. S. Miller) himself has agreed that if these were replaced from domestic resources, approximately 3,500 jobs could be created.

I could go on to give other examples of government shortcomings. I could go on too to list many of the studies that have been done on the north.

The Conservative government established a cabinet committee on mining communities in 1977 to look into this very problem. The committee was quietly shelved in 1980 without arriving at any conclusions or solutions. Is the problem so great that there is no solution? There is some question in my mind of what kind of work that committee did. Did it actually meet?

An in-house interministerial committee on single-resource industry communities was established towards the end of 1980 to examine some of these same problems. Has this been done? The second time around we have to ask the same question.

I guess the final example of criticism for the government is reflected in the response of the then Treasurer to the Sudbury Chamber of Commerce, which presented a brief a few years ago concerning the community.

The brief concluded that the unstated strategy of the government of Ontario in its planning was "the colonial exploitation of the natural resources of northern Ontario" for the benefit of the Golden Horseshoe manufacturing hub of southern Ontario.

In response to that, the then Treasurer said that the people of northern Ontario should not look forward to any major industrial development for the decades to come. To date, his words have been proven true.

Finally, the minister in the heat of debate indicated that no solutions were suggested by the members of the New Democratic Party. I am not sure that is accurate, because on many occasions the parties opposite have made a number of suggestions for improving the plight of the single-industry communities of northern Ontario.

One example from our party is that we would create a ministry of mines and establish a

comprehensive mineral policy for Ontario. That is one suggestion for a move in the direction of solving the problems of the north.

The Deputy Speaker: One minute.

Mr. Van Horne: The financing of junior mines in Ontario would be encouraged by means of revision of the Ontario Securities Commission regulations. That is another suggestion we have made. The list could go on and on.

I submit in all sincerity, and a select committee was mentioned just a few moments ago by the member for Sudbury East, that it is time to put the partisan politics away and put our heads together to come up with a solution not only for Sudbury but also for all those communities in northern Ontario that are suffering from the single-industry syndrome.

Mr. Martel: Mr. Speaker, I want to make only a brief comment with respect to what the Minister of Natural Resources (Mr. Pope) said.

First, my colleague quoted at least six things that we have recommended over the years and that were recommended in a government report in 1977: such things as a nickel institute and the processing and refining of nickel in Canada using the facilities that are here. That was recommended in 1976-77. We recommended those things subsequently.

The other thing I want to draw to the honourable members' attention with respect to what the minister said is that he talked about the markets now. Well, I have been in this Legislature for 15 years, and that is what the joke is. For 10 of these many years, I have talked about processing in Sudbury and the refining of nickel from Falconbridge. We have talked about getting rid of the exclusions so as to create work in northern Ontario.

Thus the minister should not talk about the conditions just today; let him talk about the long run and the recommendations that have been made over the years. The fact is that the government has not adopted one of those.

What has been the legacy of Sudbury? The legacy is a simple one: Inco and Falconbridge have literally made billions. Inco has never lost a cent in Sudbury to this time; it has extracted. The only type of investment that has come from the mining companies in Sudbury has been more investment to extract more at a higher and faster capacity. But to put anything permanent in place has never been part of the program.

That is the legacy of northern Ontario and that is why I was so ashamed of my friend from

Kapuskasing yesterday for the game he played. To play off one part of northern Ontario against another is simply irresponsible. I am going to come back to it.

Inco took its profit and invested it in England. Inco took its profit and invested it in Huntington Alloys in the United States. It bought a battery plant in the United States. It did not create a job in Sudbury outside of extraction. It went to Guatemala. It went to Indonesia. In the area where it has taken out literally billions upon billions of dollars of profit it has not invested anything that is permanent except to extract it faster.

Falconbridge has done exactly the same. Falconbridge went to Norway and refined there, because it bought a bankrupt facility about 40 years ago. They never considered processing or refining in Canada, and in 1979 the Tories gave them the right to write off their expansion in Norway against their Ontario taxes. What incentive is there? What incentive is there for them to invest in Canada when they can invest around the world and write it off here?

11:50 a.m.

They were going to invest in Quebec. In 1971, I raised this with the then minister. I asked him whether he would try to make sure that Falconbridge built its new refinery in Ontario. He said, "No, they were going to Quebec." They spent \$5 million in Becancour, Quebec, to build a new refinery that went down the tubes. But they were going there because they got a tax exemption for 20 years, reduced hydro rates and reduced rail rates. They were going to take it from Sudbury to Quebec, where they had just robbed the Quebec people blind to build it there.

What do we have today? We have another minister who yesterday made another defence of Falconbridge not building a refinery in the Sudbury area because they had to get into the economic market. That is the latest wrinkle. They went over to Norway about 40 years ago, when there was no such thing as the European Economic Community. So we have another excuse for writing it off.

In Sudbury, the future is grim and all we have are people extracting it in a hurry and taking it out of northern Ontario to process somewhere else. The member for Cochrane North (Mr. Piché) played the game with the minister yesterday.

Let members look at what Mel Soucie says if they think the economic conditions in Sudbury are temporary. In fact, what Inco and

Falconbridge are doing now with the economic conditions is they are using them as an opportunity to bring about what they intended to do anyway. They are going to say, "We will take our lumps once rather than twice." They are drawing down.

Soucie says: "We are looking at something that is structurally changing and is going to require some long-term programs to do something about creating other industries, other growth centres in the community if we are going to do anything to regain our feet economically."

By the way, Soucie is the northeastern Ontario economist for the federal Department of Employment and Immigration.

Inco is using the markets now to reduce by 1,100 permanently. Let me tell members over there that they have a lot to be ashamed of, because do they know who started the decline in the Sudbury area? Those beggars did.

In 1974, this government with a stroke of the pen wiped out the fourth largest employer in Sudbury, the Burwash Correctional Institution, and the same day opened one up in southern Ontario. The excuse was that most of the prisoners in that prison were from southern Ontario and it took too long for the relatives to go to Burwash. Do members know where the relatives from the Sudbury district go to see their loved ones who are in jail? They go to Thunder Bay, a distance of 600 miles.

Overnight, the government wiped out the fourth largest employer after having spent \$4.5 million in the two previous years putting in a new gymnasium, single male quarters and fixing all of the homes. The government wiped out the fourth largest employer in 1974 and put nothing back in its place. It has been downhill since and they have not introduced a program.

The Minister of Natural Resources has decided to leave but, in the few minutes I have remaining, I want to refer to his statement of yesterday. Certainly we asked about a fertilizer plant, because it is going to take sulphuric acid. I am going to quote from Northern Ontario Business about Sherritt Gordon:

"Sherritt Gordon is also having problems lining up a supplier of sulphuric acid. Canadian Industries Limited has the northern Ontario market tied up through purchase contracts with Inco Metals in Sudbury and Kidd Creek Mines in Timmins. The search for a primary supplier of the acid, necessary for refining the phosphates into phosphoric acid, one step away from fertilizer, is also affecting the timing of the project, Topp said.

"Sherritt Gordon is looking at the potential of shipping raw phosphates without refining, says Topp."

That is what Sherritt Gordon is saying in Northern Ontario Business.

Let me tell my friend from Kapuskasing that Inco's capacity to produce can be increased by a third without a jot of improved capacity. Inco over the years, and CIL before it, produced only two thirds of the sulphuric acid that it was possible for them to produce. They left one machine out of three down permanently because they did not want to glut the market with sulphuric acid. The government of Ontario acquiesced and said, "Dump it into the atmosphere."

They refused to use full capacity. That is why we suggested, if they are going to do this rather than send it out of northern Ontario—as Topp says they are going to—at least they should put a fertilizer plant in Sudbury so the people of Kapuskasing could have jobs and so we would use the full capacity of making sulphuric acid. If we put the two together, we will create jobs in the north for northerners.

The Minister of Natural Resources plays silly little games. I was not trying to take anything from the north. I have taken the position, in all my years in Queen's Park, that you process at source. What does the Minister of Natural Resources say? "The way to go about economic recovery is not to process other than at source." If that is the Tory position, that is great. Therefore, they should start with the refinery; tell Falconbridge tomorrow that they should refine all their bloody nickel at Inco, where the capacity is. That is number one.

The second thing to do—and I have been trying to get it from the Minister of Industry and Trade (Mr. Walker) now for the past eight months—is to make a commitment that if the federal government is not prepared to put in the funding necessary to establish that mining equipment company in Sudbury, this government will do what it said privately a year and a half ago it was going to do, and that is to go it alone, without the federal government. That would start it tomorrow.

The Deputy Speaker: One minute.

Mr. Martel: I went to Inco and asked them if they were prepared to proceed even in these economically difficult times. The president of Inco told me they are prepared to go tomorrow but they are waiting for a commitment from the federal government.

There is this little game going on between

Tories and Liberals because they are from different parts of the province. The member for Nipissing (Mr. Harris) says we know there is a deficit of \$168 million. He himself said it at a meeting one night when I was there. Why does he not say the government is prepared to put \$4 million in and create 225 jobs and to hell with the federal government? If Erola cannot get it, so be it. Let us do it.

The other thing I suggest this government must do is to start refining all that nickel in northern Ontario, using the Inco excess capacity to do it.

I say to my friend from Kapuskasing, no one was trying to rob one part of northern Ontario at the expense of another. We were simply trying to put two products together to make a product that would create jobs for our people. He should not be so parochial.

Hon. Mr. Walker: Mr. Speaker, what has brought on this emergency debate today invariably is the issue of unemployment or the degree of employment in a particular community. This community has suffered more than any other in Ontario. I think at this time it has reached the worst proportions; it has gone from about 8.5 per cent last August to around 27 per cent this August.

That is a terribly regrettable situation. I do not think anybody would find any solace whatsoever in those figures. To say that all of us in this chamber have sympathy for anyone caught up in the picture is to offer a trite statement, but that is the case.

The fact of the matter is that we all have that concern. No one party, no one person or no one community can have anything but discomfort whenever figures like those are established, and certainly this is the case.

The short of it is that we recognize the severity of the problem faced by Sudbury and by the entire region. In the past, Sudbury and region have shown a particular resilience in the decade from 1970 to 1980. I think the community has demonstrated impressive resilience in its capacity to attract diversified industry, to take advantage of what industry might arrive there and to attempt to replace jobs that have been lost.

One of the most important areas for the future, and that is really what we have to look at in all of this, is the tourist industry. I think that diversification into a much broader tourist industry in the Sudbury area will—

Interjection.

Hon. Mr. Walker: Yes, I think tourism will lead in a strong way to a fairly stable additional diversification.

12 noon

My friend and colleague, the Minister of Natural Resources, has concentrated on his particular area of expertise and responsibility in the mining industry. Mine applies basically to the nonmining industries. I relate particularly to small business and medium-sized business. There is a fair diversification in the community today.

We do offer a lot of programs that try to help, as much as we can, to make sure the small to medium-sized businesses are able to make profits, are able to stay in business. There has been a demonstrated resilience over a period of time.

For example, in terms of our own programs we have a lot of small business development programs. Right now we have an outside consultant who has been engaged to deal with the 26 individual businesses that so far have signed up. The consultant is showing them how they can take a share of the export market; how they can perhaps cause import substitution; basically, how they can increase their business. So that is in place.

We are planning an export seminar that will be conducted right in Sudbury this fall. There we will help every single small to medium-sized business we can in terms of their exports. We have our major offices in Sudbury. The entire regional offices of our ministry are located in Sudbury. These people are strictly business consultants. They go out and knock on the doors of the individual businesses throughout Sudbury and region and try to help them achieve many things. On a free basis, they give all kinds of advice that relates to domestic marketing, international marketing, plant expansions, new plants and energy programs and the like, not to mention the fact that in the last decade the Northern Ontario Development Corporation has provided some \$13 million to a host of individual corporations there, and in the process created 1,043 jobs listed over five years.

The fifth point I would like to make on this is that the technology centre, the Ontario resource machinery development centre is on stream and is proceeding and will be open this fall. I can tell members that as it relates to wood products and mining machinery, it is very important that this facility gets under way. It is important that diversification happens.

The member for Sudbury (Mr. Gordon) happens to serve very faithfully on the advisory committee we have established for that. I can

tell members that the member for Sudbury and I have talked very much of how this may become the magnet. We are anxious to see this magnet develop. One particular fact is a decision was made several years ago in Ottawa when Bell Northern was established by Northern Electric. Bell Northern acted as a catalyst and a magnet for establishing something in the range now of 150 companies that have been spawned from that one single decision. These are the kinds of things that can happen from these magnet-like industries.

We think this will be a magnet because it will focus on mining and wood products. It will focus on the very important diversified area we think can be substituted. The member for Sudbury East (Mr. Martel) did remind me of the speech we made where we talked about the extreme level of disproportion between the imports and exports as it relates to mining machinery and wood product machinery.

We are specifically anxious to concentrate on that in terms of our technology centre. As the minister responsible for that centre coming on stream I can say that centre is going to focus on that issue and it is going to be able to achieve a lot of spinoff. I think the member is going to see, flowing from that, the kind of diversified industry, the kind of mining and machinery equipment that, as the member has often said in the past few years that I have known him, we should be responsible for producing and manufacturing there right in the centre of the mining district of Ontario.

I can tell the member, this centre is dedicated to that function. We will insist that centre put Ontario, to the extent that it can, on the cutting edge of the technological innovation that will be required. It will be a transfer centre that is world class and without parallel throughout other parts of the country. Its mandate will be to encourage mining and forest industry research and development, and particularly the technology transfer which will increase Ontario-based manufacture of resource machinery and equipment. It will be there to provide a focal point for the development of projects to respond to growing equipment needs. I can assure the members that will be in place by this fall.

When we relate to the matter of the Mining Equipment Co. of Ontario which has been raised once or twice here, and the members from the north have talked to me a number of times on this, we hope to see MECO in place. We have made an opening bid as it relates to our involvement.

I think, while we are awaiting the federal response, it would be awfully foolish for us to say, "If you do not want to bother putting the money in then we will go ahead and build it ourselves." Then they are going to say, "Go ahead." That is the kind of answer we are going to get. One can hardly expect us to go into a negotiation that way. Not only would that be tying one hand behind our back but we would be including our other hand and both feet as well. I cannot imagine anything as ludicrous as that approach.

We have heard a number of suggestions today but, frankly, the part that concerns us most, as the Minister of Natural Resources said when he was here a few moments ago, is that all the members seem to do is attack every other member in sight. I do not think that is fair. I think they have to realize there are solutions and we do want to get solutions. Solutions exist primarily in diversification. That is an extremely important thing.

As it relates to nickel itself, certainly the declining markets worldwide are a contributing factor. I think of the kinds of suggestions that come forward from the member for Sudbury East who has indicated the way to solve the problem of the declining markets worldwide, the way to solve the problems of the nickel markets in Ontario, is to nationalize Inco. That is the way he solves that problem. But not everybody agrees with the nationalization of Inco.

The Sudbury question was raised not long ago as it related to the strike in June. The Sault Ste. Marie Star produced an editorial just a while ago relating to this issue of nationalization, that was brought up by a number of the New Democratic Party members.

What the Sault Ste. Marie Star had to say on June 18, was this: "What these NDP members choose to ignore is that the huge losses Inco is presently suffering are not rooted in company incompetence but are related to the absence of nickel markets, a condition felt throughout the world by nickel producers. As to the latest hint that all would be right with Sudbury and the world if the government would move in and take over Inco, one would have thought that the New Democrats would have abandoned this tired line of thinking before this, considering the indications that the Canadian public just doesn't buy the nationalization of industry line that the NDP has been trumpeting repetitiously for years."

The fact of the matter is, the NDP does not

want a solution to the problem because then it would not have anything to talk about. Come and offer us a suggestion and we will try to help. Help us form some solutions and I can assure the members they will have the assistance of this government. We want the solutions; now those guys should start to deliver.

The Acting Speaker (Mr. Cousens): The honourable member for St. Catherines.

Interjections.

The Acting Speaker: Order. The interruptions are out of order; I would hope the member could at least have a clear start.

Mr. Bradley: Mr. Speaker, when we look at some of the comments made by the previous speaker, the minister, some are of a positive nature but I would like to begin my remarks by speaking to the last comment.

I was not going to make a comment on it but the interesting thing is that, while most of us in this assembly could accept the need for less partisanship on an issue of this kind, and he welcomes the suggestions of the opposition in building some solutions for Sudbury, what really happens when there are some apparent solutions and the opposition does participate in helping to provide those solutions, is that we all know where the credit is taken. It will not be shared with members of the opposition. The government will be prepared to take the full credit so, legitimately, the government does have a responsibility to accept much of the criticism we see today.

When this matter was brought before the House we were in the midst of a debate for which the House has been called back specifically. All of the members of this House have to assess whether, when a matter is placed before members of the Legislature, it is of an emergency nature and should pre-empt that business which is before the House.

Oftentimes, those of us in the opposition who put forward emergency debate items do so for political purposes. We want to score some points against the government; we want to accentuate certain points; we want to look at a matter and have the media and the public look at a matter.

12:10 p.m.

Today's issue, I think, is somewhat different. There may be some political points to be scored, but when I look at the three members who represent Sudbury and those in surrounding areas, the members for Sudbury East (Mr. Martel), Nickel Belt (Mr. Laughren) and Sudbury

(Mr. Gordon), I cannot help feeling that, when they see the dismal prospects the people in their community are facing at the present time, it would be incorrect to contend that there would be a political motivation in placing this matter before the House. I think there is a genuine feeling, even though we have tried to score some partisan points back and forth across the floor, that Sudbury is in a somewhat desperate situation and that it does require solutions that all of us in this House can contribute to; but the people on the government side, of course, have the levers of power and are in the best position to bring about those solutions.

Everyone recognizes that world conditions are affecting our economy; no one says this is not the case. But it does not mean that we abandon our responsibility to try to alleviate, first of all on a short-term basis and then on a long-term basis, the problems that confront the community—a community in which, by the way, I was born and lived for a number of years. So I am somewhat familiar with the circumstances, and they have not changed all that much except, as my friend the member for Sudbury East pointed out to me the other day in a private conversation, that each year we are seeing the labour force diminish for a variety of reasons, but certainly, in some cases, at the insistence of the two major employers there: Inco and Falconbridge. They wish to carry out their operations with fewer employees to save money on their part.

One of the solutions that was brought forward is, I think, a legitimate one. It is a cry that has been forthcoming from people in the community of Sudbury for a number of years, and that is, sourcing the processing in the Sudbury area. We recognize there are some complications to this, but surely, in an area where Inco and Falconbridge have been able to extract the wealth they have been able to do over the last number of years, those two major employers, those two major international companies, owe it to the people of the Sudbury basin, owe it to the people of Ontario and Canada, to source their processing in that community.

We know that the people in that area are skilled, that they are prepared to take on that kind of responsibility. Both the member for Sudbury East and the member for Nickel Belt have pointed out that there now is excess capacity for refining and processing purposes, so it is not as though we are not capable of doing it technically, or do not have the equipment and housing available at the present time. It is a

reasonable solution, not a radical solution, to ask that the wealth be channelled back into the area in the form of processing.

Mining is not always a pretty thing, and all of the members who represent northern Ontario know that it often damages the countryside to a great extent; it often leaves it in a far worse state than it was before. So companies have that opportunity, then, to put back into an area what they take out. There has been some progress, by the way, in cleaning up the area, in brightening up the area, which used to be so blighted by the mining process.

The Minister of Industry and Trade (Mr. Walker) says, justifiably, and I know many of the members in the area would say, that part of the solution rests in diversification, that not all of the eggs should be placed in the mining basket. Although mining and the allied industries will continue to be important industries, there is a need for diversification. I face this in my community, though not to the same extent as would some of the members in the automotive industry communities in being very reliant on one industry. So diversity helps an awful lot, and the Ministry of Industry and Trade and other ministries, Northern Affairs and so on, have the opportunity to look at ways of providing new industries and employment opportunities for the Sudbury area.

There was a suggestion that we have a ministry of mines, for a greater focus at least. A ministry of mines would not, of itself, solve the problem, but it would put a greater focus on the specific problems confronted by the mining industry. The suggestions that have come to the House today for a select committee are good ones. People will say a select committee does not solve anything: you sit and score partisan points and you bring in witnesses who are favourable to your point of view. We have seen a number of members from northern Ontario in the House today, and in this case I do not believe, with the desperate situation that faces the Sudbury basin, this would be necessarily a partisan issue. I think there would be some good solutions forthcoming. We would get input from the people who are directly affected, from people in the industry and from people in the labour unions who have made some constructive suggestions over the years. So we should not reject the select committee route as one of the possibilities for assisting the Sudbury area on a longer-term basis.

There is no question that research facilities are coming into being there, but further research

facilities could be located in the Sudbury area, not just those related to the mining industry but we could build on those facilities that are there at the present time.

On the matter of location of government facilities, the federal and provincial governments have made some investment, and surely Sudbury, as a major centre in northern Ontario, should be the recipient of further facilities from both governments so that ministries could have direct access to the area and people in the area could have direct access to those facilities. I think this would be a plus for the Sudbury area.

There has to be an acceleration of a retraining program. The member for Sudbury East aptly points out that the two major employers have reduced their work forces and no doubt will continue to try to reduce their work forces through automation and by other methods. This means that some of those people who are going to be out of a job can return to the industry itself, but for a number of others we must have some meaningful retraining program so those people can get back into the work force at jobs that will pay a reasonable wage instead of simply being thrown on the markets.

We have opportunities in the area for pollution abatement. For years, Inco particularly has polluted the area. Yes, it has provided some economic benefits, but it has also polluted the area. It seems to me that we in this province have a chance to develop an industry to produce pollution abatement equipment. The Sudbury area is a good place to locate that.

Many solutions are forthcoming, and I hope the government takes action as soon as possible. Yes, we need the participation of the federal government; but if it is not forthcoming now, the provincial government has the chance to step forward and provide both short-term and long-term solutions to the problems that confront the Sudbury area. Certainly, we on this side are prepared to participate in a very positive way in those solutions.

Mr. Wildman: Mr. Speaker, I want to begin my contribution to this debate by responding to what I believe was an unwarranted accusation by the Minister of Industry and Trade (Mr. Walker) at end of his speech in which he accused the members on this side of the House, from the Sudbury basin, of not wanting solutions to the problems in Sudbury.

Mr. Speaker, I had hoped you would call the minister to order for imputing motives, but since you did not do that I would like to respond by pointing out that the members for Sudbury

East (Mr. Martel) and for Nickel Belt (Mr. Laughren) and the former member for Sudbury have talked in this House for years about import replacement as it relates to the mining machinery industry and they have talked about the need for diversification in the Sudbury basin.

Interestingly enough, this government in the few small steps it has taken in the Sudbury area—things like the technology centre the Minister of Industry and Trade referred to—are responding to the kinds of suggestions that have been made by the members for Sudbury on this side of the House. They are not responding as they should; they are not responding in a way that is actually going to do the kinds of things the members here have said should be done in Sudbury, but they are responding because they know the members for Sudbury on this side of the House have been putting forward solutions they could no longer be seen to be ignoring.

I, too, come from a part of northern Ontario that has experienced layoffs in the last few months in the economic downturn we have experienced and, as a member for northern Ontario, I really wonder why we, from a part of this country that has enormous potential, continue to be in this insecure position where we are subject to the vagaries of the market, where people can be laid off and there is no solution for them.

12:20 p.m.

The only answer I can come to is that this government has failed to build on the strengths we have in northern Ontario and the Sudbury basin. It seems we have been talking forever in this House about one-industry towns and their vulnerability. When that industry is in a poor economic situation, what happens to the community? In the case of Sudbury, we have seen graphically what happens.

For some reason, we do not have a commitment. If there is no commitment, as was indicated by the Minister of Industry and Trade, it is not on this side of the House but over on the government side. There has been no commitment to build on the tremendous strengths we have in natural resources and minerals in northern Ontario.

In northern Ontario we supply \$2.03 billion worth of minerals in addition to the raw materials from the forest products. That is a tremendous wealth base that we could be building on. But in spite of this tremendous wealth the government here has never taken advantage of those resources. Workers remain insecure. Those who are working are paid lower than those in

southern Ontario and we do not have the kinds of health and social services in our communities that are taken for granted in the rest of the province.

This government has done nothing to ensure the economic stability of the resource-based communities in northern Ontario. They can do all the talking they like about the Northern Ontario Development Corp. and the tourist industry, which is another resource-based industry, but those kinds of things do not do anything to employ the numbers of people we see out of work in the resource industries like the mining industry in Sudbury.

Does the Minister of Industry and Trade really believe that tourism is going to give jobs to the 3,000 to 10,000 people who are facing unemployment now and in the near future in Sudbury? I do not really believe he was serious when he said that.

It is not just this party that has been talking about the difficulties in northern Ontario over the last few years. The government itself has commissioned a number of studies. That is really the only growth industry in northern Ontario—consultants' studies by the government.

I would like to refer to one specifically. This one talks about the Ontario strategy for development. In the study the government looked at the outflow of jobs and capital investment from the north. There is one quote here:

"While economic diversification is the central policy objective, it is difficult to foresee a rapid diversification of the region's economy away from its natural resource base unless very extensive and costly interventions were to be made in the market economy."

That last part is the central issue, "unless very extensive and costly interventions were to be made in the market economy." Although this government admits in its own studies that is what is going to be required if we are going to diversify away from the resource base in northern Ontario, it is unwilling to intervene. It does not want to intervene in the market economy. Let us leave it up to the market economy, the very market economy that has produced the kind of situation we see in Sudbury today.

The Tories cannot do it themselves or at least they are unwilling to do it themselves. They will not use the wealth we have in northern Ontario to diversify the economy of northern Ontario. In the years of growth when they could have been doing this over the past, they did nothing. Now, when the market economy no longer

works for Sudbury, we face the kind of devastation we see in that community today.

That same study goes on to say: "It must be kept in mind that while governments can do much to facilitate development in the region, the extent to which such development is realized will depend very much upon initiatives taken in the private sector."

Because the government itself is unwilling to intervene and take action, it says it must depend on the private sector. That sounds very good, but I wonder who the ideologues in this House are. It sounds to me as if they were the government members. The government is going to depend on the private sector, the very people who have screwed things up for years in northern Ontario.

In that very statement in that study, the government members are accepting the continuation of the cyclical boom-bust situation we have had in the resource economy in northern Ontario and Sudbury for years. They accept it. They believe that is the way it has to be; so when it happens, it is too bad. They say, "We don't like it, but that is the way it is." It is unfortunate, but the miners are out of work and they will have to stay out of work until the market economy picks up and things start to improve some time in the future. Then things will boom for a while and when things change, everybody will be out of work again. That is just the way it is. Isn't capitalism wonderful?

We do not accept that kind of thing. We do not accept that we must depend only on the market economy to resolve the problems we face in northern Ontario. We have all said before in this House that we do not agree with Darcy McKeough's attitude that there would not be diversification in northern Ontario for at least another 20 years. That is what he said in 1977. As far as the Ministry of Industry and Trade is concerned, tourism is not going to do the trick.

We have talked about import replacement. We have a tremendous trade deficit when it comes to machinery in this province. In the past, we have left the decisions to private corporations and those corporations have chosen to import rather than to invest here to provide the jobs we need. It has been suggested that because we have a small domestic market we should not be trying to build self-sufficiency here, because that would not produce enough jobs. But Scandinavia has a small domestic market as well. It has built on that domestic market to the point where it is now exporting

mining machinery to North America. We should be doing the same thing.

The technology centre does not go nearly far enough to answer the demands that have been made for years by this party for diversification in mining machinery. We should be developing the technologies that will take us into the future, not just trying to resolve the problems we have had in the past. That is going to involve costly intervention. We must be doing it ourselves and not seeking it from the private sector.

Mr. Gordon: Mr. Speaker, Sudbury has been hit hard by the current recession. Three thousand workers are to be permanently laid off. These are very proud people who have every right to be proud because they are skilled in their trades. They are proud of their families and of their community and they deserve much more. I thought the member for St. Catharines (Mr. Bradley) made a very good point when he said he was sure the members from the Sudbury region were not here in a partisan sense, but because they truly cared about their community and what was happening to it.

The people of Sudbury are worried. They are hurt, angry and some of them are embittered by the arrogant and unfeeling way in which the workers in the community of Sudbury have been treated by both Falconbridge and Inco. The order of the day with these two outfits is to treat the people of the Sudbury region as if they were serfs and the companies were lords of the manor.

It does not matter whether the union or the elected community leaders ask either company about their plans for the future. The answers that come back are either incomprehensible, evasive or downright falsehoods.

12:30 p.m.

Listen to an interview with W. K. Newman, president of Inco's Ontario division.

Question: "How long have plans been in the making for today's announcement?" This was the announcement with regard to the extension of the layoffs until January 3, 1983.

Answer: "Well, we have the situation under review. We are continuing to look at the options. We arrived at the decision that this was the option we had to institute."

Think back about the question, "How long have you been planning?" No answer; evasion, incomprehensible.

Question: "Can you give us some specific figures on what it costs to operate during a shutdown?"

Answer: "I haven't got any figures with me."

If one looks at the record as it has been written in the papers in Sudbury as to what Falconbridge says when it speaks to the community about its plans for an extended layoff and about its plans for shutdown, it is just as evasive. The point is the companies do not tell their employees or the community what they really plan.

Mr. Cooke: Let's talk about the Tory solutions. What a phoney speech.

Hon. Mr. McMurtry: Oh come on, all this sanctimoniousness; you wallow in phoney sanctimony.

Mr. Cooke: All he tries to get is headlines; no solutions from your government at all. The phoniest member in this Legislature.

Mr. Rotenberg: You guys are so rude.

Mr. Cooke: He's a Liberal one day, a Tory another and he takes campaign donations from Falconbridge.

Mr. Gordon: It is as if we had no rights at all in the Sudbury region, that we are just there to serve the company. At the same time, I do not think the Minister of Natural Resources (Mr. Pope) need feel too complacent with his role to date. He has an obligation as a minister of the crown to see that these two multinational firms reveal the true facts to the people of Sudbury and Ontario.

We have a right to know what fate awaits us. Both companies insist in talking in generalities, but I remind the minister that they are the present custodians of a natural resource that belongs to the people of this province.

The people have the right to know in detail whether that formerly profitable stewardship is being prostituted. What is Falconbridge planning for the future? Is Falconbridge planning to be another Amax? Up to the present, it has been in exploration and research, and a producer and marketer of nickel and copper. Does it intend to keep doing this?

How can Local 598, the union, meaningfully negotiate with that company when a heavy curtain of generalized misinformation cloaks the bargaining table? Is it any wonder that 2,000 responsible workers march through the streets of Sudbury in protest?

What are Falconbridge's plans? We have a right to know. They have done away with the research and exploration side of their company in the Sudbury region. What does this mean? Does this mean the Falconbridge operation in Sudbury is going to become static, that it is going to be used merely to prime the pump; that

because they are not going to produce as much nickel there they are going to sell their nickel on the world market, the little they produce in Sudbury, and then if they get a bigger order maybe they will go to the Russians and buy some nickel there and refine it in Norway? What is going to happen?

We did not hear one word today from the fellows on the opposite side about what possibly could be happening. They are stuck with that same old line over and over again, much to their own tragic failure. It is unfortunate.

I believe it is time this government took a look at our natural resource options over the next decade. We must examine them. We need information, because markets are changing quickly. The plans of big multinational resource firms are changing quickly in order to meet those markets, but because those firms have a stewardship, because they are the custodians of our natural resources, we must know what their plans really are in order to better protect the people of Sudbury and the people of this province.

I address this to the Minister of Natural Resources. The people of Sudbury want to work. It has been shown in the past that they are a most productive people, and we have a right to know about our future based on the most current information available.

The Acting Speaker: One minute.

Mr. Gordon: The Minister of Natural Resources has the responsibility to see that the wheels are set in motion to find out. I believe this government must gather all possible data to ascertain whether we can afford to continue to allow companies such as Inco and Falconbridge to make fundamental decisions about the development of a natural resource that affects the lives of so many people.

Are we maximizing the benefits of having such a resource? I think not. Perhaps the time has come for us to take over and look at it through an inquiry. We must inquire and find out just what the state of that nickel industry is going to be in the world in the next decade. On that basis, because things have changed very rapidly in the past three years, we are going to have to look at various options, and one option could very well be that we would find it necessary to have the nickel industry in the form of a crown corporation. But that is only one of the options we may be looking at.

Thank you very much.

Mr. Conway: Mr. Speaker, I am pleased to rise and participate in the debate, and let me say at the outset that I congratulate the member for Nickel Belt (Mr. Laughren) for initiating the opportunity to focus legislative attention on a matter of urgent public concern.

Certainly those of us in eastern Ontario have situations, and my colleague the member for Prescott-Russell (Mr. Boudria) might very well like to have a similar debate in the very near future about the difficulties that are currently facing his community of Hawkesbury.

But for the moment we are here to talk about the situation in the Sudbury basin, which, as previous speakers have pointed out, is a very serious and ever-worsening one. I myself do not pretend to have any personal experience or expertise in the matter save and except a participation with some members in the winter, I believe of 1977-78, on the select committee with respect to the layoffs at that time in the Sudbury basin.

The situation has worsened considerably since that time. Watching a discussion on the Journal on CBC the other evening, I was impressed by some of the remarks, certainly not all but many of the comments, made about the gravity and the extent of the human tragedy. I cannot speak from personal experience about a situation where over the course of the last 10 years the loss in the nickel industry in terms of permanent employment has been something in the order of 10,000 or 11,000 jobs, the kind of winding down of an industry that has been so important to that part of the province, the kind of uncertainty, the kind of difficulty that has created.

12:40 p.m.

The member for Sudbury (Mr. Gordon), who preceded me in this debate, asks for another inquiry. I am a bit like the member for Algoma (Mr. Wildman). I think the only growth industry in northern Ontario is for consultants invited in on a routine basis by both federal and provincial governments to study yet again the economic difficulties and challenges of given communities.

Speaking for my own city of Pembroke, we are sick and tired of well-paid, out-of-town consultants dropping in from time to time, usually on a two-year basis, to tell us what we need to do. Not too many of them agree with the views of previous members of their profession who have visited.

There is no doubt—the member for St. Catharines (Mr. Bradley) talked about this very briefly, and I am sure others have as well—that part of

the difficulty Sudbury is experiencing today is directly related to a very serious economic downturn that is affecting an awful lot of the resource sector, not only in Ontario but worldwide. I sometimes despair about our ability as elected officials to speak very relevantly to a genuine economic solution.

I read not very long ago an excellent piece by Richard Gwyn in the *Toronto Star* about the difficulty in a federal state of both levels of government coming together to work meaningfully towards the resolution of economic challenges. I hear in this debate, as I have heard in so many others, "Well, we won't act until we find out what the national government is going to do." In Ottawa, the national government is saying, "We don't want to act until we find out what the provincial or regional governments propose to do."

I think we in the political community must become a lot more sensible and a lot more relevant in our offerings in these kinds of economic debates, because, quite frankly, I sense from the community a growing despair about our ability to offer much by way of a meaningful response to their problems. Yes, we can always cite the rhetoric, and yes, we can all give a superficial response that in the first instance meets a certain measure of community concern. But I think the people of Sudbury want some clear indication about what government economic strategy is going to be.

With all due respect to the member for Sudbury, I cannot accept that yet another inquiry from this House or any other is going to be seen as anything very substantial. I recommend to the members who may not have read it the very excellent book, now about eight years in print, by Professor Nelles, *The Politics of Development: Forests, Mines and Hydroelectric Power in Ontario, 1849-1941*.

Professor Nelles very eloquently points out how we got into this problem. He tells us, unfortunately, of the rather unhappy state of relations between government, particularly provincial government in this province, and multinational giants like Inco and Falconbridge, about the kind of loyalty that the member for Sudbury complained of. There ought to be no great surprise. Nelles and many other commentators have pointed out that is about all we can expect.

I was very interested to hear the member for Sudbury say what he said about a possible option of nationalizing Inco. I know the member for Sudbury East (Mr. Martel) was writing

down every syllable of that particular emanation and it will be recalled. I want to remind the member for Sudbury about the interjections of the member for London South (Mr. Walker), the Minister of Trade and Industry, and the member for Cochrane South (Mr. Pope), the Minister of Natural Resources.

Apparently, for a substantial number of the Conservative Party, that kind of nationalization is taboo. Malcom Rowan, Hugh Segal and the Premier (Mr. Davis), on the other hand, do not seem to mind nationalizing in part an oil company that will not produce one single job in the 1980s in this province by all indications.

Mr. Laughren: A lot of consistency over there.

Mr. Conway: A lot of consistency indeed. The nationalistic bugbear that they like to hang on the left-wing element of this province is a very selective matter with those people. They did not listen to the member for Muskoka (Mr. F. S. Miller) or to the member for Leeds (Mr. Runciman) or to the member for Cochrane South with respect to nationalizing in part the Suncor business, where we got nationalization at a cost of \$650 million.

I have to wonder what the unemployed thousands in Sudbury are thinking when the Minister of Natural Resources says, "We could not have a public interest position, an equity position in the nickel giants in the Sudbury basin because of an ideological predisposition by the Conservative government in Ontario." They have not heard about Malcolm Rowan and, obviously, have not heard about nationalization in the energy sector.

I am reminded as I participate in this debate about the need for an industrial and economic strategy for this province. I am reminded as I stand here today, among others such as the Attorney General (Mr. McMurtry) who is quite interested in these matters, of the 1981 election campaign when there was a debate of sorts about what was happening to the industrial infrastructure of this great manufacturing heartland.

How I remember—oh, how I will never forget—the sum and substance of the offering of the opposite side. In most parts of this province that offering was, "Elect a government member and the sun will shine on a happiness everlasting."

The people of the Sudbury basin have elected the very distinguished former mayor of that great city. One could argue that keeping the promise in that particular part of the province has meant in the past 18 months a tripling in the

unemployment rate that at the time was pretty awful and is now something in the neighbourhood of 30 per cent.

I am afraid I am sorry to have to stand here and say that "Elect a government member" has not proven to be a very effective economic policy for many people in the great province of Ontario. I am really looking forward to much more than the former mayor of Sudbury indicated here today about the nature and extent of the clout to which these government members have routine access.

I do not want to hear a moderate call for a legislative inquiry. I want to see the sum and the substance of the great power that vests itself exclusively in government members. I think the former mayor of Sudbury will, undoubtedly before this day is over, want to stand in his place and put flesh on the bones of that promise made 18 months ago, because there are thousands of people in the great city of Sudbury who are awaiting that promise.

One cannot drive from one corner of my constituency to another without seeing those marvellous blue signs saying, "Board of Industrial Leadership and Development." A culvert replacement program on our highways today is the occasion for a BILD sign. We appreciate that, but I want to say that for the thousands of unemployed in the Sudbury basin that is simply not good enough. We believe there must be short-term and structural initiatives taken by this Conservative government to keep the promise to Morley Rosenberg and a hell of a lot of other people.

Mr. Foulds: Mr. Speaker, it is not often that I have anything very complimentary to say about the party to my right but I must congratulate the previous speaker for putting in a nutshell, if I may say so, the hypocrisy and inaction on the part of Tory members when it comes to dealing with the problems of northern Ontario and in particular the problems of Sudbury.

Sudbury epitomizes more than any other single city in this province the bankruptcy of the economic policy of the Conservative government. As the member for Sudbury East (Mr. Martel) pointed out, it epitomizes the social, the economic and the corporate irresponsibility of Inco and Falconbridge. The member for Sudbury (Mr. Gordon) was sadly silent when he came to talk to his government about using the power it has had, in these 40 years in this province. The member for Sudbury, the distinguished former mayor as the member for Renfrew North (Mr. Conway) called him, was sadly and, if I may say

so, tragically silent when it came to offering solutions for the people of Sudbury.

12:50 p.m.

In this province we have had inquiry after inquiry into the mining industry. Even from the bureaucrats in the Ministry of Natural Resources and their advisers we have had moderate, sensible solutions to the diversification of industry in northern Ontario, to which there has been no response from the government.

I remind you, Mr. Speaker, that my colleague the member for Nickel Belt (Mr. Laughren) outlined four or five of the key recommendations of a document entitled *Towards a Nickel Policy for the Province of Ontario*, Mineral Policy Background Paper No. 4, Ministry of Natural Resources, published in 1977. Then he listed four or five of the key recommendations, to which not one government spokesman has responded.

Mr. Laughren: Not one.

Mr. Foulds: Not one. I remember being in this House during the tragic layoffs in Sudbury in 1977-78, and I thought in my naiveté at the time that I detected on the government benches not only concern, not only sympathy but some anxiety to do something. And they did. The Premier (Mr. Davis) appointed a cabinet committee to look at the layoffs and to look at the problems of one-industry towns in northern Ontario.

I must say we took that in good faith. We thought, "Gee, they understand that there are problems, finally, and they may be doing something." I must say that the anger we express today is genuine, deep and heartfelt, not least since in that instance we discovered a year later the absolute, total deception and fraud that was exercised, not merely on the members of the opposition, not merely on the members of the Legislature, not merely on the people of Ontario, but most particularly on the people of Sudbury, because that committee did not meet once.

The Tory government, the trained seal for the corporate world, particularly Inco and Falconbridge in this case, the cabinet, which under legislation has the authority to govern this province for the benefit of all the people, did not have the courage, intelligence or commitment to meet.

Mr. Piché: Speak up. I cannot hear a word.

Mr. Foulds: The member for Cochrane North can make jokes all he likes. He can make every joke and heckle and interject all he likes. Just go

ahead. He should at least make a speech if his government is going to do nothing about the serious situation in Ontario.

Mr. McClellan: Or won't they let you talk, Renè?

Mr. Foulds: Have they gagged you? Are you afraid to speak in this House?

But there was not one response.

I want to outline, if I might, just one of the recommendations in these proposals; it is listed as number two: "Encourage through special Ontario income and mining tax adjustments the adaptation and use of current idle nickel refining capacity in Ontario and Alberta to refine part or all of the significant proportion of Ontario's mine output of nickel which still goes to Wales and Norway in semi-refined form for refining so as to create jobs in Canada. It is understood that the present Alberta refining process does not recover precious metals."

I think for 60 years we have had a law in this province that said the ores of this province should be refined in Canada. It used to be referred to as section 113 of the Mining Act; under the revisions it is section 104.

Imagine a law that is quite literally observed in the breach more than in the observance, because we have, to August 31, 1982, over 25 exemptions to that law granted by the government. The tragedy is a number of them have to do with nickel-copper matte, nickel-copper concentrate and nickel oxide; and the amounts, shamefully, even in the published material are "not specified."

The companies did not even have to tell them what amount. They just said, "Ship it out." With every single load of ore they are shipping jobs out of this province and this country.

What has the government done to diversify northern Ontario? What has it done to create mining and machinery manufacturing jobs? During the 1981 "Keep the promise" election, the Tory party established a research technology institute at a cost of \$20 million, creating 19 jobs. Not one scientist was associated with that institute.

Mr. Laughren: Not one miner either.

Mr. Foulds: As my colleague says, not one miner.

Mr. Martel: Not a researcher.

Mr. Foulds: Not a researcher either. What is it supposed to do?

I say to my colleague the Conservative member for Sudbury, it is hard to take his comments as genuine when he still sits on that side of the

floor, because the prescription he outlined about the irresponsibility of Inco and Falconbridge is, first of all, a prescription and an argument for public ownership of our resources in this province. He cannot sit in the Tory party and believe that.

Second, the member's prescription and description is a failure. It is a description of the failure of the government with which he sits. Talk is cheap. Those of us in the Legislature on the opposition side are reduced to talk because that is the nature of the political process; but those beggars, they have power.

In the British parliamentary system they have the power to do something, but they sit idly by when the unemployment figure in Sudbury is 27 per cent. That is unacceptable. It is a betrayal of the aspirations of the people of northern Ontario.

There is a little spinoff that affects me directly. Because Inco and Falconbridge have shut down in Sudbury, a mine, the richest in terms of quality of ore, in Shebandowan near my riding—and most of those miners live in my riding—is shut down too.

The Acting Speaker: The member has used his time.

Mr. Foulds: Mr. Speaker, you are not going to shut me up.

The Acting Speaker: There are three minutes left. The member will take his seat.

Mr. Foulds: Just a few seconds; if I may just—

The Acting Speaker: The member will take his seat. There is still some time left for another member to speak.

Mr. Foulds: May I finish?

The Acting Speaker: No, you may not. Your time is exhausted. Thank you.

Interjections.

The Acting Speaker: I ask the member to take his seat. You will take your seat right now, please.

Mr. Foulds: I will take my seat.

The Acting Speaker: Thank you. I recognize the member for Parry Sound.

Mr. Foulds: On a point of order, Mr. Speaker: I thought I might at least be allowed to complete my sentence.

The Acting Speaker: Your time was allowed. We operate under standing order 34(a). You are given 10 minutes and you used your full time. Thank you very much. The member for Parry Sound has a couple of minutes.

Mr. McClellan: Mr. Speaker, on a point of order: I just want to say that we observe the precedent you have established here this morning.

The Acting Speaker: Thank you, and I do too.

Mr. Eves: Mr. Speaker, in the short time allotted to me, so courteously given to me by the New Democratic Party, I would like to make a few comments as a member for northern Ontario. I have listened with interest to some of the points made by the sanctimonious Socialist member for Windsor-Riverside (Mr. Cooke) this morning.

I must say I am a little disappointed in his comments with respect to a phoney member and a phoney speech. I do not think any member who has risen here this morning has talked in a tone that was phoney, or has not made a genuine speech or comment about what

he or she thought was best with respect to the current debate and the current serious situation in Sudbury.

Coming from a neighbouring riding that borders on the Sudbury region and having people in my own riding who are employed, and some now unemployed due to the current economic plight of the people of Sudbury, I take great offence at the fact that any member of this House would even remotely suggest that any other member had anything but genuine motives in giving his or her address here this morning.

The Acting Speaker: The honourable member has exhausted the time that was left for this debate.

The House adjourned at 1:01 p.m.

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No. 104

Legislature of Ontario Debates

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Second Session, Thirty-Second Parliament
Monday, September 27, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, September 27, 1982

The House met at 2 p.m.

Prayers.

MEMBER'S APOLOGY

Mr. Gillies: On a point of privilege, Mr. Speaker: I might have wished that the member for Downsview (Mr. Di Santo) were in his seat for this point of privilege, but I do not see him here. I will proceed anyway.

Last Thursday, during question period, I made a remark here in my seat for which I cannot correct the record because it did not make the record. None the less, for this interjection I feel I owe both an apology to the member for Downsview, and an explanation to the House. I did speak privately to the honourable member on Friday and I think everything is fine between us. None the less, an explanation is due.

The remark I made, which as I recall as "Translation required" or "Translation needed", something of that sort, was made at the time the honourable member was retelling an anecdote about election promises.

I want to make two things clear to the House on this point. The intent of my remark was certainly not, in any way, a slur. It was more in the vein of, "What is the honourable member talking about?" rather than "What is he saying?" I want to make that very clear.

The other point is it has been recorded in certain of the media that my interjection was made at a time when the honourable member was asking a question of some import to the injured workers of the province. This is completely untrue. I want to make it very clear that my interjection came at the time he was telling his anecdote at the beginning of the question, and not at the time he was addressing a question of such importance to the injured workers of the province.

Despite all this, the important part is that no matter what the intent, the levity or gravity of my remark, I fear that I may have caused injury or insult to the honourable member. It was the last thing on my mind. He is a man I hold in the very highest regard and to him I offer my most sincere and abject apology.

LEGISLATIVE PAGES

Mr. Speaker: Before carrying on with routine proceedings, I would ask all members to join with me in recognizing the following legislative pages:

Cheri Bradish, Middlesex; Alyssa Clark, Carleton-Grenville; Dominic Dowd, St. David; David Dowey, Brampton; Sam Gauvreau, Sudbury; Sandra Glista, Mississauga South; David Hunt, Brock; Nicole Laframboise, Beaches-Woodbine; Sharon Leighton, Scarborough Centre; Alex MacFarlane, Lincoln; David McLaughlin, Hastings-Peterborough; Steven Mock, Algoma; Tracy Ryan, Essex South; Christine Schiller, Wentworth North; Marisa Sterling, York Mills; Sheri Varley, Huron-Middlesex; James Verner, Kingston and the Islands; Paul Visser, Durham West; Emma Waverman, St. Andrew-St. Patrick; Dianne Zdybal, High Park-Swansea; Mark Zwegers, Kitchener.

STATEMENTS BY THE MINISTRY

NIAGARA RIVER POLLUTION

Hon. Mr. Norton: Mr. Speaker, as the honourable members are probably aware, negotiations are now under way between the United States Environmental Protection Agency and Hooker Chemicals and Plastics Corp. concerning the control and cleanup of certain chemical wastes deposited by the company in sites in the Niagara Falls, New York, area. This is one of the contaminant source areas being studied by the Niagara River improvement team that was set up in the ministry in November 1981.

I said then that we would not hesitate to intervene in the US proceedings when this action would contribute to the cleanup of the Niagara River. I have instructed my ministry's legal staff to prepare a submission to the United States district court in western New York requesting intervenor status in the negotiation concerning one of these sites, which is presently under way. We expect the submission to be filed with the court that is presiding over the negotiation within about two weeks.

Our major concern at this time is the S area site adjacent to the company's plant in Niagara

Falls, New York, about 200 yards from the Niagara River. Intervener status is necessary for us to gain access to all of the information on the S area site, including confidential information, so we can evaluate fully the effectiveness of any proposed corrective measures.

The waste products from the manufacture of more than 250 chemicals were dumped in this site between 1947 and 1975. We estimate that a total of more than 70,000 tons of wastes have been placed in this and the adjacent N area sites, including wastes from the production of caustic soda, chlorine, chlorotoluenes, Mirex and halogenated organic chemicals, among other products.

The consulting firm of Geologic Testing Consultants in Ottawa, retained by our Niagara River improvement team, has completed a hydrogeologic report on the Hooker S area, which we are sending to Environment Canada, the EPA and New York state, and which I would like to table in the House today.

The report draws these conclusions:

First, the ground water in the fill area used to reclaim sections of land from the Niagara River and the sediments immediately below that fill are heavily contaminated with organic chemicals originating at the S area site.

Second, the ground water flow direction in this upper layer of the fill is primarily southerly towards the Niagara River. There is also a downward flow of water into the underlying Lockport dolomite or limestone.

Third, the upper 10 to 15 feet of Lockport dolomite contain relatively high concentrations of organic contaminants as well. The ground water in this rock layer moves initially north and then turns westerly to the Niagara gorge downstream of the falls.

2:10 p.m.

Fourth, there is a reasonable potential for some of the organic contaminants to move south towards and beneath the Niagara River, in the direction of the Canadian side.

As you can see, we regard the situation in S area as serious. Contaminants from the site have entered the ground water and have access to the river.

Our intention, as an intervener in these negotiations, is to make sure that the concerns identified in this study, and in our other monitoring activities, are resolved in any agreement developed for remedial action on the site.

I would add that our participation as an intervener at this stage would not, if the agreement does not meet our requirements, preclude our further involvement should the matter end

up before the courts in the further part of this process.

I will keep the honourable members of the House advised about our continuing activities both on the S area site as well as others relating to the clean up of the Niagara River.

I would add that there are copies available for members, such as the critics, the opposition leaders and other interested parties if they would like to notify us.

ORAL QUESTIONS

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister sent a letter to his cabinet colleagues with respect to the criteria for his program, saying: "The cabinet committee has access to an independent review by the new Inflation Restraint Board. However, our intention is to minimize the administrative costs of this program and to use the excellence of the existing regulatory process to apply the relevant criteria in the first instance." Could the minister please clarify that and tell me the answer to this question: is the minister asking his fellow ministers to request the agencies under their control to comply with the guidelines, or is he saying they should be ordered to comply? What are the rules?

Hon. Mr. Elgie: Mr. Speaker, I would hope it was clear that what we are saying to each minister is that all prices that come within his control or supervision are to come within those guidelines. On the particular reference that the member made: for example, if I was to refer to the Minister of Energy (Mr. Welch)—and I hesitate to refer to him because he is such a lovely young man—but if I was to refer to him and to his ministry that he runs with such dedication and capability—

Mr. Swart: You ought to watch that colleague of yours.

Hon. Mr. Elgie: You agree with that, do you? Then I would say, and take this as an example, the Ontario Energy Board reviews the details of gas applications in great detail. I am simply telling him that process is to continue. The Ontario Energy Board is to continue examining the details and putting it to the close, careful scrutiny that they usually do. Following that careful scrutiny, if the Minister of Energy is not satisfied that it comes within the guidelines, he is to refer it to the cabinet committee. Then that

cabinet committee, having all that information available to it, will review that documentation and the raise that has been recommended. If it is not satisfied, it can do one of two things: make a recommendation to cabinet or it can refer it to the Inflation Restraint Board for their review and consideration.

Mr. Peterson: Would the minister not agree with me that he is now creating and introducing new measures into the implementation of this legislation. He is creating a lot of confusion. I gather he has four levels of boards, groups and agencies. I understand his fondness for boards, agencies and commissions in his government, but now he has the Inflation Restraint Board and he has the ministers responsible for various regulatory agencies, cabinet committee and full cabinet, all of which can be involved in the setting of the rules somehow or other.

We have yet to understand what the rules and the criteria are and who is responsible for what. That is not clear in the legislation, it is not clear in his letter and it is not clear from what he said today. People may want to appeal but they may not know how, whether they appeal directly to the minister or to someone else. There is so much ministerial discretion involved in this whole matter still that it appears to me the minister is creating the seeds for failure of a program that he wants to succeed.

Hon. Mr. Elgie: I do not sense the confusion that the Leader of the Opposition seems to, over responsibility and criteria and the outline of responsibilities and guidelines; I think it is very clear.

In the case of the Minister of Energy, for example, he has obligations with respect to those prices that come directly under his control. He has responsibilities to make certain that the guidelines are followed with respect to agencies that are regulated by a subsidiary of his. If he is not satisfied that the prices come within those guidelines, he may then refer them to the cabinet committee, which may then determine whether or not to take direct action, through a recommendation to cabinet, or to refer it to the Inflation Restraint Board. I do not understand where the problem is. To me it is a very simple and straightforward line of authority.

Mr. Foulds: Mr. Speaker, why is it that the government, through this legislation, gave the discretionary power to a minister, such as the Minister of Energy, to decide whether or not an increase was too great, and therefore he has the power to refer it to the cabinet committee, and

did not give the same discretionary power to the Minister of Labour (Mr. Ramsay)? It simply slapped on an arbitrary five per cent on the workers of the province, whereas it did not do that on the price side. Why is the government so soft; why does it use the velvet glove when it comes to the price side and the iron fist when it comes to the wages side?

Hon. Mr. Elgie: Mr. Speaker, as I said the other day, I do not think there is anybody in the room who does not wish that one could just wave a wand and say that prices will be no more than such-and-such per cent, but the reality of life is that there are only certain things we can control, that come within our control.

One is to make certain that the wages that are passed through as a component with the price come within the guidelines—the five per cent. Second, that if the profit margin on common equity shares goes up by more than five per cent, then we deal with that.

As the member knows and I know, there are costs—like the cost of gas—that are beyond our control because of the Alberta, Saskatchewan and Ottawa agreements, and because of the fact that TransCanada PipeLines have been allowed a certain increase that is beyond the federal government guidelines. There are certain costs, my friend, that we just have no control over. We cannot arbitrarily banish them from the world, they are there and they have to be passed through; but those things that are within our control we are dealing with.

Mr. Conway: Mr. Speaker, to the new czar of price and incomes control: In respect to the same press report in the Saturday Globe and Mail, I want to ask the minister to comment on the apparent contradiction between, on the one hand, the Premier's (Mr. Davis) statement here last Tuesday: "In keeping with these directives to significantly reduce our current fiscal account, Management Board is currently working with all ministries in order to reduce their operating budgets;" and a statement of the Management Board official who is quoted in this particular article as saying that there is no process, either yet determined or yet in place, to bring about these very reductions.

Can the czar of price and incomes control tell us if he is aware of a process and procedure yet determined and yet in place to control the likes of Malcolm Rowan in spending this government and this province into the seventh heaven of fiscal irresponsibility?

Hon. Mr. Elgie: Mr. Speaker, I am the one

who feels humble in the face of such majestic English language. Far from feeling like a czar I feel like a student of the master of the art of language. It is with humility that I answer the member's question. I tell him as well that I know he likes to talk restraint on one hand but on the other hand he does not like it because he keeps telling the government to spend more money.

The fact of life is that each of these ministers here will tell the member that in the past three or four months he or she has already gone through two restraint periods. They have already had two occasions on which they have had to restrain their budgets. That process will continue, and will continue in the allocation process as we head for the 1983-84 budget process. It does not mean it will always be possible because there are certain public needs that have to be provided for.

Let me assure the member—and there is nobody who doubts this in spite of the beautiful, eloquent way in which he expresses his question—there is nobody who doubts this government has achieved far more than any other government in this country in restraining its budgetary activities.

2:20 p.m.

Mr. Conway: What does the minister think of Peter Worthington?

Hon. Mr. Elgie: I think he is a lovely man. I wish he was somewhere else.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Peterson: In the absence of the Attorney General (Mr. McMurtry), Mr. Speaker, I have a question for the Solicitor General, given the fact that he has the ultimate responsibility for the conduct of the police force. I would like him to explain this to me, if he may.

On September 7, the Attorney General is quoted as saying, with respect to the Proverbs' tapes: "Allegations by Neil Cameron Proverbs of illegal actions by police and of corruption in high places are 'totally without any substance.'" Further he said: "I am advised by my crown law officers that the police have reviewed all these allegations to determine if there was any substance or could be any substance in any of them. And I'm told that, again through my crown law officers, that the view of the Metropolitan Toronto Police was that there was no substance to any of his allegations."

Those quotations are attributed to him on September 7. Within hours of the story hitting the press and the Toronto Star hitting the

news-stands, the Attorney General said this: "I want to inform you that I have asked the Ontario Provincial Police to investigate every single allegation and innuendo made by Mr. Proverbs or the officers with whom he met." He goes on to say: "I want to state that I am profoundly distressed by the alleged activities of the two police officers in this matter. I do not believe their actions were in the interest of justice, the police force or the public."

I would like to ask the minister to explain this road-to-Damascus conversion of the Attorney General. Why did he change his mind on this very serious matter?

Hon. G. W. Taylor: Mr. Speaker, I am sure the opposition can address those questions to the Attorney General as they are quotes attributed to him. I am not always sure that quotes attributed to him are correct. The Attorney General is frequently present in this Legislature and those questions can be addressed to him.

Second, the matter is at present under investigation and there are charges flowing from that. I think it would be most inappropriate and improper for me to comment on a case or on facts that are at present before the courts.

Mr. Peterson: This is a typical stonewall that the minister is now getting conned into being involved in himself. There was a major change of position, very different views were expressed. I am not aware that there is anything before the courts at this point. Perhaps it is being investigated, but I am not aware of any charges relating to these tapes that are before the courts. The minister may have some information I do not have, and he may want to argue the sub judice rule, but I do not think that is at all relevant to the question I asked him. He is ultimately responsible for the conduct of the police in these matters, which is very much the subject of my question.

I would ask the minister, and I assume he was involved—is he the Solicitor General or is the Attorney General still the Solicitor General? If this minister is the Solicitor General, then I think he should be informed about these matters and I would like an answer to the question I just asked him about the major flip-flop and change in position by his government.

Hon. G. W. Taylor: There has not been any change. The statements attributed to the Attorney General can best be explained by him. I do not think that the member opposite need have any concern about who is the Solicitor General. I am the Solicitor General, and I am responsible

for the police, as the member said, but there is an ongoing investigation in this matter. When there is an ongoing investigation, it is better to speak on these matters after the investigation has run its course and has completed examination of the material before it.

Mr. Renwick: Mr. Speaker, I have a supplementary question of the Solicitor General. Has he given any consideration to referring the matter to the public complaints commissioner, as I have done and as the Canadian Civil Liberties Association has done, on the allegations made by Mr. Proverbs, particularly the allegation with respect to the shaping of evidence by witnesses before the courts? If not, will he do so?

Hon. G. W. Taylor: Mr. Speaker, until the investigation is completed by the Ontario Provincial Police and I am able to see its full documentation, I will reserve judgement on whether to refer it to the police complaints operation at that time.

Mr. Peterson: It is no secret the police had access to these tapes for some considerable period of time before the whole matter became public. In fact I understand one of the people who reviewed those tapes and advised the Attorney General there was no cause for concern was one John Takach, the director of crown attorneys. The minister is aware of the facts in this matter, I assume.

He is aware of course that Mr. Takach, the same person who gave the Attorney General the advice there was absolutely no substance in what was contained in the case, is now the adviser to the police in their own investigation. How can a man like that be objective? This is the minister's police force that is involved in this investigation, getting advice from Mr. Takach and Mr. McLeod, presumably the same gentlemen involved in the original decision that there was no substance in the allegations. How does the Solicitor General respond to that and how is he going to maintain the integrity of this entire investigation?

Hon. G. W. Taylor: Mr. Speaker, the Ontario Provincial Police, amongst other attributes, is a police force of integrity. It will complete the investigation with all due dispatch and in its most professional manner. When the investigation is completed, the law officers of the crown will review the material to see whether any charges are warranted.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question

for the Treasurer. Can he confirm my interpretation of Bill 179? Can he confirm that the arbitrary powers of the Inflation Restraint Board include the following five: One, the right to not hold any hearing whatsoever on any matter referred to it; two, the right to make any order, decision or determination without any hearing and without giving any reason, written or otherwise, for the decision; three, the right to deny any increase at all for the so-called transitional period when a dispute is referred to it. Therefore, the so-called nine per cent solution could be a zero per cent solution if Jack Biddell so decides.

It is my impression a fourth power is that the board, for a collective agreement that expired before October 1981, has the sole right to determine unilaterally the increase which could be as low as zero per cent. Finally, a fifth is that the board has the right to award non-unionized public sector workers an increase of as little as between zero and five per cent in the control year itself. Can he confirm whether these five immense arbitrary powers are within the purview of Bill 179?

Hon. F. S. Miller: Mr. Speaker, I believe the member is correct on each one.

Mr. Foulds: Can he then explain why the board, in making its wage determinations under these immense arbitrary powers, does not have to conform to any criteria whatsoever, since none have been set in the legislation and none have been indicated as being forthcoming by him or his government?

Hon. F. S. Miller: I think a question like this was asked on Thursday or Friday morning—I am not sure which day. We stressed that for a one-year period strict measures were going to be taken. No one was trying to claim they were totally equitable. However, in the interests of avoiding a very large bureaucracy, we had set our overall parameters: five per cent for the control year for salaries under \$35,000, plus merits under that limit, and five per cent on all other salaries. We decided that in the transition period there would be none greater than nine per cent but there would be some flexibility to look into that.

If the member feels we can write down every possible variation that may come before that board and give hard and fast criteria in advance, so be it. I suggest to him that a good deal of the tradition of our very system has been based upon commonsensical decisions made within

broad parameters and criteria rather than very specific predetermined ones.

With a person like Mr. Biddell, who has had a good deal of personal experience with the Anti-Inflation Board, I believe we are going to see wisdom brought to this process, and fairly speedy and fair decisions, in so far as they can be fair within the system.

2:30 p.m.

Mr. Wrye: Mr. Speaker, considering the sacrifice which this legislation asks of the public sector, does the Treasurer not agree that it would have been appropriate to set up a cabinet committee, perhaps chaired by the Minister of Labour (Mr. Ramsay), which would have allowed public sector workers, some of whom may find that the increases in their contracts, which will go back to the pre-October 1981 period, are inadequate, the mechanism of a final appeal should they find that those increases are unjust in their view?

When the bill goes to committee, will the minister ask the Premier (Mr. Davis) to consider setting up such a cabinet committee, which would give the workers some small feeling that perhaps there is a little more justice in the government's actions?

Hon. F. S. Miller: Mr. Speaker, for those older contracts that go back for more than one year, one will find a good deal of fairness played. If I am not wrong, we are dealing with some 60 contracts that predate the October 1981 date, and only something like 0.2 per cent of all the employees are caught in some fairly old, unexpired contracts. We had to have some mechanism for resolving them.

Mr. Foulds: Two thousand people.

Hon. F. S. Miller: I was told it was 0.2 per cent. My friend may work that out and tell me. That sounds like a little more than 0.2 per cent to me. There are an estimated 500,000 employees. One per cent would be 5,000, and that is about 0.4 per cent for the figure the member gave us.

Mr. Wrye: Well why not protect those 1,000 people?

Hon. F. S. Miller: "Protect" is a very interesting word. I think the very steps we are taking are aimed at the maximum protection, not only for those people who have wage and job security within government areas but also for the rest of society which has not got that kind of protection.

Mr. Foulds: Is the Treasurer now admitting before this Legislature that there are inequities in this legislation? Is he admitting that he is

willing to condone those inequities when it comes to the wage side but that his colleague the Minister of Consumer and Commercial Relations (Mr. Elgie) is not willing to condone any inequities when it comes to the prices side and wants them to be allowed to pass through all their additional costs?

Can the Treasurer further confirm that, contrary to the Premier's assertion in a statement to this House, there is no provision in this bill for collective bargaining on nonmonetary items, by the simple fact that the contracts are continued in force it is entirely up to the employer to decide whether he will talk about any nonmonetary items; and that, contrary to normal practice under the Ontario Labour Relations Board, he does not even have to return a phone call from the bargaining agent for the workers when it comes to such things as the shift system, health and safety, work load or grievance procedure?

Hon. F. S. Miller: On the last one, I think the honourable member is exaggerating a bit. Obviously, the Premier has said, and the legislation foresees, that there will be discussion and negotiation on non-wage-related items.

Second, the idea that there is total equity in the system was dispelled at the beginning. We never claimed there was total equity. In fact, we said just the opposite, that you could not have this kind of action taken and have total equity.

Mr. Peterson: Don't compound it.

Hon. F. S. Miller: We are simply saying that we have done the best we can, recognizing that no freeze or reduction of ceiling can ever equitably hit all people. I look at the teachers who have settled their contracts by September 1. I would bet there were not too many that were less than nine per cent. Those who chose to stay out or who had not signed by September 1 will have "a less equitable answer" than those who signed.

Mr. Wildman: The boards chose not to sign, too.

Hon. F. S. Miller: I am just saying that we cannot make major moves of this nature and foresee or prove or guarantee equity. I suggest, though, it is wrong to attempt to say that we have harsh justice on the one side for wages and no justice on the other side for prices. My colleague the Minister of Consumer and Commercial Relations spelled that out clearly, simply and objectively.

EXTRA BILLING

Mr. Foulds: Mr. Speaker, I want to ask

another question about equity, equality and justice. This is not even rough justice; it is roughness. Can the Treasurer explain why the government's so-called restraint program did nothing to stop extra billing by the doctors, which cost the patients of Ontario \$64 million last year?

Hon. F. S. Miller: Mr. Speaker, I do not know what percentage of the doctors are opted out. I think it was something in the range of 16 per cent the last time I heard a figure. The Minister of Health (Mr. Grossman) could verify it.

Under the present system in Ontario, a doctor is either opted in or opted out. We did not change that in any way. Extra billing has been part of the system, and I very much believe it should remain part of the system. I sincerely hope the physicians of Ontario will not take actions that will rule out that difference. That is one of the key differences between a total state system and the system we have.

Mr. Foulds: Speaking of state systems, can the Treasurer explain why he and his government are willing to impose arbitrary agreements on 400,000 unionized workers and 100,000 non-unionized workers but are unwilling even to make the 15,000 members of the Ontario Medical Association abide by the terms of the agreement they signed voluntarily, let alone allowing them to continue to extra-bill?

Why does the government allow the medical profession to have it both ways? They signed an agreement, yet the government allows them to extra-bill. Every time they extra-bill, they break the agreement they signed; they break their contracts. Every worker on whom the Treasurer is going to impose the five per cent solution would love to have that opportunity.

Hon. F. S. Miller: The honourable member is totally off base. Nothing is abrogating that agreement. Not all doctors have to take the government's fee as paid; those are the opted-out physicians. They have been that since the day the plan was formed, as far as I know. At times there have been pressures both ways: (a) to opt out all the physicians, from the physicians' point of view; and (b) to opt them all back in, from the benches opposite.

I suggest that we have had a fair system. There are rights for both the patient and the physician in society. There are rights for a physician who may be the most senior in his category just as there are for lawyers, school teachers and all other groups to say that for a

specific function he or she is worth a little more. That is the opting-out privilege.

Mr. Peterson: Mr. Speaker, with the provisions of Bill 179 the government is controlling administered prices and is doing that in the time frame known as the administered price restraint program. Can the Treasurer please tell me why an increase in Ontario health insurance plan fees is not an administered price and why it does not fall in the time frame for the legislation when it comes into effect on October 1, the day the programs starts? Why is this excluded?

Hon. F. S. Miller: Mr. Speaker, I think there is a section in the act that talks about budgetary or tax measures. One can argue for some time as to whether OHIP is an administered price. If the Leader of the Opposition can help me solve the other side of that equation, the cost of the health care system, he will do me and this House a very large favour. I can just suggest to him—

Mr. Peterson: Do you call it a tax?

Hon. F. S. Miller: The honourable member knows we have a paper out at this point asking for a review of the alternatives to OHIP premiums. People think of a premium in the normal sense of the word as the price attached to a risk that covers the full cost of that risk. It is supposed to be true of any other kind of insurance. The member knows it covers a little less than one fifth of the cost of the health service provided. It is scarcely a premium; it is a source of government revenue.

I wish to point out one more fact. It was May 13 when historically the rate was changed to cover the increases in OHIP for the last year. For all the talk on the far side about health care going to the dogs, health costs exceeded 17 per cent growth last year and I am told hospitals exceeded 20 per cent growth last year. That has to be reflected in the cost of the system. It was announced May 13. We bill a full three months ahead—I am sure the member is aware of that—and because of the intricacies of the billing system the first effective date it could come into place was October 1. That was named on my budget day.

2:40 p.m.

Mr. McClellan: Mr. Speaker, I asked this question of the Treasurer last week and he refused to answer. Since we are on the eve of the government's meeting with the OMA, I hope he will answer the question today; it is a very simple one.

Is it not a fact that the OHIP schedule of fees, which establishes the fees payable to doctors for

services provided to their patients, falls under the definition of an administered price according to subclause 26(a)(ii) of Bill 179 and is administered by OHIP, a public regulatory agency under clause 26(d) of Bill 179? If not, will the Treasurer kindly explain how he managed to exclude OHIP from the act when the language of the act is absolutely clear that OHIP is covered?

Hon. F. S. Miller: Mr. Speaker, when we get into the act itself on a clause-by-clause—

Mr. McClellan: Answer yes or no.

Hon. F. S. Miller: I am not going to answer yes or no because the member yelled that from his seat. If I answer yes or no he will tell me I do not give him enough information.

Mr. Cooke: Don't you know the answer to the question?

Hon. F. S. Miller: It happens I do not know the answer to every question in the world. I am not like the honourable member.

Mr. McClellan: Mr. Speaker, I have asked this question twice—

Mr. Speaker: Order.

Mr. McClellan: —and it is preposterous for the Treasurer to say he doesn't know the answer to the question.

Mr. Speaker: Order.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Conway: Mr. Speaker, in the presence of the Attorney General, I want to pursue a line of questioning that was initiated by my leader a few moments ago with the Solicitor General (Mr. G. W. Taylor). It concerns the very worrisome contradiction about his reaction before and after the publication in the Toronto Star of the tapes concerning the activities of Mr. Neil Proverbs.

The Attorney General, as the chief law officer of the crown, will appreciate that his position in this matter is of genuine importance to this Legislature and to the public at large. Can he help us in understanding why it was that prior to the publication of those allegations derived from the tapes in the Toronto Star, statements were attributed to him on September 7, 1982, as having said that allegations by Neil Proverbs of illegal actions by police and of corruption in high places were "totally without any substance." The Attorney General went on to indicate, prior to the publication, that he felt this way

upon a careful examination of these matters, assisted by his crown law officers.

Then, shortly after the publication in the Toronto Star, he indicated: "I want to inform you that I have asked the Ontario Provincial Police to investigate every single allegation and innuendo made by Mr. Proverbs or the officers with whom he met. . . I want to state that I am profoundly disturbed by the alleged activities of the two police officers in this matter. I do not believe their actions were in the interest of justice, the police force or the public."

The allegations were totally without substance prior to their publication, and lo and behold, upon their publication, there was an immediate inquiry because the Attorney General felt their actions did not serve the interest of justice, the police force or the public. What changed his mind in the intervening couple of days?

Hon. Mr. McMurtry: Mr. Speaker, I am sorry I missed the earlier exchange between the Leader of the Opposition (Mr. Peterson) and the Solicitor General. I doubt that I missed very much, but in any event I am happy to pursue it at this time.

Interjections.

Hon. Mr. McMurtry: The Leader of the Opposition has traditionally demonstrated some difficulty in understanding issues relating to the administration of justice.

I just want to make it clear that there was no change of heart, no change of mind. I think there was some confused reporting as to what was said—

Interjections.

Hon. Mr. McMurtry: Well, I trust that any time the honourable member is ever quoted in the press he will assume that every word is precisely as he stated it.

I attempted to clarify this matter a little bit in a letter I wrote some days ago to the Toronto Star. The situation was simply this. The existence of approximately three and a half hours of tapes had been known to the law officers of the crown for some time. Before the Star's publication, an internal investigation had been proceeding and, to my knowledge, it was still proceeding on the date of the publication.

What I said to the Toronto Star reporter on the telephone was that as of that date I had been told by my crown law officers that they had not been able to confirm any of the allegations and that there was nothing to warrant a royal

commission but that the investigation was continuing.

As I pointed out to the Toronto Star upon the publication and the understandably wide publicity that was given to the very unusual circumstances—and one obviously could expect a great deal of public interest—notwithstanding the fact that I had great confidence in the ability and the credibility of the internal affairs branch of the Metropolitan Toronto Police Force to conduct a complete, impartial and objective investigation, it was in the interests of the Metropolitan Toronto Police Force, in my view, to have the Ontario Provincial Police take over the investigation. I pointed out at the time that it was not by reason of any lack of confidence on my part or on the part of my law officers in the integrity of the internal affairs branch of that police force.

We knew, of course, that this matter would become a very public issue at some time. Quite frankly, I had hoped the charges against Mr. Proverbs would have been disposed of before, because obviously in this whole issue we cannot lose sight of the fact that Mr. Proverbs is facing a criminal charge which is scheduled to proceed to trial in October; that fact in itself, of course, inhibits us a little bit as to just what we can say about this matter.

I just want to reiterate that there was an ongoing investigation at the time the news story referred to by my friend across the aisle was written and that as of that date I had been advised that internal affairs had not been able to come up with anything of substance in relation to the allegation; but the investigation was going on and is still going on.

Mr. Conway: So that I will be clear in my own mind, is the Attorney General now stating that he never said to anyone at the Toronto Star, as he was quoted on September 7 as having said, that the allegations were “totally without any substance”? Is he now denying that he ever said to anyone at the Toronto Star that those allegations, such as he knew them then, were “totally any without substance”? That is a direct quote, and I want his direct response to that if I might have it.

Will he help us as well to understand the chronology between September 7, when apparently he was first confronted by the newspaper with a limited amount of the material, and the position he went on to outline in his letter of September 16? What specifically happened to him in the intervening nine days such that he had a very different attitude as expressed in his

letter of September 16? Can the minister indicate, in answer to the second part, whether along the way he had taken into his confidence either Mr. Rod McLeod or Mr. Takach?

2:50 p.m.

Hon. Mr. McMurtry: I repeat what I said before. Absolutely nothing had changed. I indicated to the Toronto Star that as of that date, and I repeat it again today, that a very careful investigation of the allegations in these tapes with respect to a number of judges and other individuals had been unable to confirm any substance to those allegations. That is what I said then and that is what I say now. I repeat: The investigation was ongoing and it is still ongoing. I do not know how I can make myself any more clear than that.

SHELTER ALLOWANCES

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Community and Social Services.

Since only 14 per cent of general welfare assistance recipients and 18 per cent of Family Benefits Act recipients are living in public housing and, therefore, the vast majority are out in the private market, and since we normally expect people to pick up about 30 per cent of their shelter costs from their total income, is the minister aware that in Ottawa general welfare recipients are paying 55 per cent of their income for shelter and in Brantford 59 per cent, while here in Toronto, according to the Open Door rooms registry, people are paying up to 81 per cent for rooms on the registry and 93 per cent for those listed in the local daily papers?

Does he not think this is an unacceptable amount of money for these people to be spending, and is it not time we had some action from him now rather than waiting till whenever he decides winter begins?

Hon. Mr. Drea: Mr. Speaker, the honourable member is being cute, as he always tries to be. He is talking primarily about people who live in rooms rather than in a dwelling. Is that not correct?

Mr. R. F. Johnston: Specifically.

Hon. Mr. Drea: It would be nice if he had said it in the first place.

Mr. Foulds: Just answer the question.

Hon. Mr. Drea: Oh ho—

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Drea: The member for Port Arthur (Mr. Foulds) may be the acting leader of a dying party, but he should not try to give me orders.

To come back to the question: Last year, because of what I regarded as a rather pre-eminent need, we did move to shelter supplements, but these affect only people with dependants, other than the odd person who may be disabled and is on long-term benefits.

I am looking in particular at the shelter problem for single individuals this winter, both as a matter of shelter and as a matter of seeing what is going on in the rooming house or boarding home industry. I will probably have some things to say about that in the reasonably near future.

However, I point out that traditionally—and I notice the honourable member did it himself in his continuing saga with his welfare allowance—people who are single and employable tend to double up in rooming houses and that brings down the cost of the shelter.

The member cheated himself, because he did not take that into account with his budget. But there are still a few days left; he might be able to spend a little bit more on himself.

Mr. R. F. Johnston: Just to clarify the record: I was primarily talking about single rooms, as the minister said. That is why I used the example of the rooms registry, which primarily deals with single rooms. It is true that people double up, but in Toronto they are often charged double as well.

Is the minister aware that Metro Toronto social services department now is approving rents for singles of up to \$60 per week, or about \$260 a month, which is approximately 100 per cent of the amount—\$266—a single will receive in a month? That means they have no money for food. That is why more than 700 men and women lined up at the Scott Mission yesterday for their one meal of the day.

Does the minister not think that is more of an emergency reason to call back this House and to give those people some money than this arbitrary breaking of contracts with his civil servants?

Hon. Mr. Drea: I said I was in the process of formulating some particular programs with agencies and so forth for the winter. However, I draw to the member's attention—he started this last year as well, and I am surprised he is not already sleeping in the parking garage to show that there is a shortage of shelter for those who are either transients or who are caught up in the very difficult impact of the recession—that the number of meals served at this time of the year by

various groups that are funded either by Metropolitan Toronto, and therefore through the province or partially by the private sector, really does not have a great deal to do with who is on general welfare assistance, and the member knows that. They are two separate and distinct matters.

If the member wants me to run a welfare state for rooming house operators, then I can start getting into picking up very high costs in boarding houses, rooming houses and so forth. I do not understand what he means by “Metropolitan Toronto is approving.”

Mr. R. F. Johnston: They accept the payments so you can live there for \$60 a week, and they then give you a cheque.

Mr. Speaker: Order.

Hon. Mr. Drea: That does not mean that Metropolitan Toronto is approving the rentals.

Mr. R. F. Johnston: Sure it does. They used to not accept them—or don't you know anything?

Hon. Mr. Drea: Part of the problem for Metropolitan Toronto in that regard is that a number of addresses downtown have disappeared. Indeed, there is a particular shortage in the downtown area, and rather than get into—

Mr. R. F. Johnston: The individual still has the same number of dollars.

Hon. Mr. Drea: I beg your pardon?

Mr. R. F. Johnston: Zero.

Mr. Speaker: Order. Never mind the interjections, please.

Hon. Mr. Drea: Mr. Speaker, I resent that very much, and I am getting a little bit tired of the member and his snide remarks. Nobody has answered a question more directly than I am doing, and I would appreciate the right to continue answering.

Mr. Laughren: You are copping out, Frank.

Mr. Foulds: Take off your glasses and resign.

Mr. Speaker: Order.

Mr. Boudria: Mr. Speaker, can the minister indicate to this House a firm date by which he intends to increase the level of general welfare assistance? Regardless of his argument with my colleague the member for Scarborough West that we are not 10th but are really ninth, or whatever the figure is, with respect to our level of benefits in comparison with those of other jurisdictions and so forth, can he indicate to this House whether he will increase the rate shortly and give us a date by which he intends to do it? There are many people in this province who are

desperately waiting for that increase and who are falling farther and farther behind.

Hon. Mr. Drea: Mr. Speaker, as I said the other day, and I trust the member was here, we are reviewing the situation, and I will have something to say about it before winter.

INTERNATIONAL HARVESTER

Mr. Watson: Mr. Speaker, I have a question for the Minister of Industry and Trade. The community of Chatham has been very concerned about proposals by International Harvester to close or modify one of its truck manufacturing plants. Does the minister have any information concerning whether the Chatham plant will be affected by this proposal?

Hon. Mr. Walker: Mr. Speaker, actually just minutes ago we received word that there will be a—

Interjections.

Hon. Mr. Walker: I just happen to have a prepared statement here.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Walker: There will be a major rationalization of the truck plants in the United States to Springfield, Ohio. That, however, will not affect Canada, and the Chatham plant will be maintained in total. I can assure the honourable member that, to the extent the telephone information we have received is correct, the plant will remain at the current levels, presumably; and, indeed, there is a likelihood that a global mandate will be achieved, or at least a North American mandate, as it relates to the products they will be providing from that plant.

Mr. Watson: Does the minister have any information as to whether any global mandate that will be given will increase employment in the Chatham area?

Hon. Mr. Walker: I think it would, given the nature of the mandate I understand might be offered.

3 p.m.

Mr. Wrye: Mr. Speaker, given his general feeling there will be some increase in employment, can the minister indicate what discussions he has had with the International Harvester people in the last couple of months since the need to rationalize North American operations became public knowledge? What guarantees has he had from Harvester that, should the announcement made today actually occur, Chatham, which is suffering from high unemploy-

ment, will, indeed, get a shot in the arm? Is the government prepared to play any role in ensuring Chatham will get higher employment?

Hon. Mr. Walker: Mr. Speaker, we have had discussions. Our people have been in constant contact with the member for Chatham-Kent (Mr. Watson) as well as with Mayor Carter from Chatham and with Mr. Munro, who is the president of International Harvester. At times there has been almost daily contact over the last couple of months. There has been a lot of byplay back and forth. We have no guarantee from them. We are not in a position to demand a guarantee so they obviously have not offered a guarantee.

I think one would have to look at the news that has come out today as welcome news rather than try to cast a pall over the top of it. It seems to me the member should be looking more at the upside of this than the downside. It is important that it has been established that an exemption will be given to the Chatham plant and those vehicles will continue to be produced in that International Harvester plant in Chatham. The member should be looking at that from a positive side rather than continually putting a pall over it.

METROPOLITAN TORONTO POLICE PRACTICES

Mr. Conway: Mr. Speaker, I have a new question to the chief law officer of the crown for Ontario whose primary responsibility is undoubtedly to see to it that justice is done in this province and that it is seen to be done.

On September 7, 1982, the Attorney General said, after consulting his crown law officers—who presumably included one or both of Messrs. McLeod and Takach—that having reviewed all these allegations to determine if there could be any substance to any of them, he had come to the conclusion they were totally without substance.

A few short days later, the Attorney General launched an inquiry, embellishing it with a lot of very personal concern about the import of these allegations which hours before, presumably in consultation with McLeod and Takach, he had dismissed with something of a royal flash as being totally without substance. I want the Attorney General to help this House with the specifics that intervened. What was it that came to his attention, and how, in the intervening hours and days, did it make him change his mind rather dramatically?

Hon. Mr. McMurtry: Mr. Speaker, I am quite happy to answer the same question the same way for the third time. Maybe it will get through to the member this time; maybe it will take 30 times, I do not know.

First of all, I want to make it very clear there was no change of mind at any time. What I said on that occasion, and I will repeat for the third time in this House today, is that as of that date I had been kept informed about this matter. It had been known to us for some time. It was a matter we had expected to become very public, at least by the time Mr. Proverbs went on with his trial. I had been advised by my senior law officers that the investigation which had been going on for some months had not revealed any substance whatsoever—that there had been no substance established as of that date through the police officers on the tape as far as these allegations were concerned.

There was no suggestion at that time—and I say so for the third time today—there was no suggestion by me or anybody in the Ministry of the Attorney General that the investigation had been completed. I do not know how many times I have to tell the member that.

Mr. Conway: Is the Attorney General saying the allegations that so profoundly distressed him post-September 7 and that caused him to initiate the inquiry that he wanted no part of on September 7, were not allegations that either he or his officers had seen prior to the publication of these matters in the Toronto Star? Let me say for the first time, was it not the case—

Mr. Speaker: Order, that is not a question. It is a statement.

Mr. Conway: Then would the Attorney General not agree what really happened and what really changed his mind and the conclusive evidence which intervened was the publication of a raft of headlines in the nation's most-read daily newspaper—that it was on the basis of that political pressure he changed his mind? Is that what people in this province are supposed to conclude?

Hon. Mr. McMurtry: For the fourth time, I will make it clear that is total nonsense. The member for Renfrew North seems to have the same difficulty a couple of journalists of the Star have had, and that is knowing the difference between a criminal investigation and a public inquiry. The member has used the two terms sort of interchangeably.

There is a difference. A criminal investiga-

tion is an investigation. A public inquiry is a public inquiry.

Interjections

Hon. Mr. McMurtry: Does the member understand that?

Mr. Speaker: Order.

Hon. Mr. McMurtry: What I said and will repeat for the fourth time today, if not the fifth, is that as of that date there is nothing in the internal investigation that warranted a public inquiry. To my knowledge, as of this date there is nothing that has come up through the ongoing investigation that would warrant a royal commission.

As of that date, the investigation was ongoing and it was being reviewed and continued by another police force, I understand because of the enormous public interest in this matter. It was obviously in the interest of the Metro police at that point to have the Ontario Provincial Police involved.

As I said in my letter to the Star the other day—a couple of weeks ago or whenever it was—it was quite evident that at some point there would have to be an external review of this investigation because of the serious allegations that had been made by these officers on the tape. I preferred for that to await the disposition of the criminal charge against Mr. Proverbs.

Given the enormous attention that was then concentrated on the matter it seemed—again I say for the fourth and fifth time—that it was in the interest of the Metropolitan Toronto Police to have the Ontario Provincial Police take over the investigation. I have had absolutely no change of mind at all. I hope the member would understand that.

Mr. Conway: On a point of privilege: The Attorney General asked me whether I understood that a criminal investigation was a criminal investigation and a public inquiry was a public inquiry. Yes, sir, I do understand.

ABITIBI-PRICE WAGE CUTS

Mr. Wildman: Mr. Speaker, I have a question for the Minister of Labour regarding attempts by Abitibi-Price to pressure its White River mill employees to take wage cuts. I emphasize that I am referring specifically to the mill workers who are members of the Lumber and Sawmill Workers Union and who have a collective agreement in effect until August 31, 1983, not the bush workers whose contract has expired.

Is the minister aware that Abitibi-Price is using the threat of a mill closure to pressure

these workers to agree to wage cuts in contravention of its collective agreement? Does he consider that to be in the spirit of the Labour Relations Act?

Hon. Mr. Ramsay: Mr. Speaker, I am aware of the circumstances the member has described. I am not sure that I accept them exactly as he has described. We are looking into the situation at present.

3:10 p.m.

Mr. Wildman: If the minister is aware of it, does he not consider this to be intimidation of the White River workers? Would he agree that what Abitibi-Price is really attempting to do in threatening to shut down this mill, which was built with the taxpayers' money through the Department of Regional Economic Expansion, is to manipulate the workers into appearing to be the reason for the closure of the mill and the shutting down of a whole community? They would make it seem it was because of wage rates and market losses rather than because the mill itself is poorly designed and the company is losing money because of bad design.

Hon. Mr. Ramsay: Mr. Speaker, I am just as concerned as the honourable member is about the future and status of the town of White River, but I am not going to agree to the statements he is making. I would not indicate there has been bad faith until I have had an opportunity to look into it completely.

WINDSOR PACKING

Mr. Wrye: Mr. Speaker, I have another question of the Minister of Labour. Last Friday during question period the Minister of Agriculture and Food (Mr. Timbrell) indicated he would bring to the minister's attention concerns raised over the fact that the 130 employees at Windsor Packing, which closed last week, have been left without their last two weeks of wages and with no vacation pay. Apparently the minister is aware of this.

My questions of the minister are these. Has he now considered the situation? What action is he prepared to take to ensure the workers will receive the proper amounts of money due them to help at least cushion, in some minor way, this latest closure?

While he is on his feet, has the minister been able to make any progress that would indicate that Great Lakes Forgings, which was hit by a strike some four or five months ago, is going to pay the \$80,000 in vacation pay that has been properly earned by the workers and that the

company has been under ministerial orders since, I believe, April to pay? Could he bring us up to date on those situations?

Hon. Mr. Ramsay: Mr. Speaker, I will try to answer the second part of the question first. I did meet with the solicitor for Great Lakes Forgings, and also a representative of the receiver on Friday past. We had quite a lengthy discussion. We reviewed the various options. We are in a bit of a bind in that we do not want to see the plant close permanently. We want to see the collective bargaining dispute that is going on at the present time resolved. We want to see the plant reopen. We do not want to do anything that would interfere with that.

On the other hand, we have made it very clear to the company we expect the \$80,000 to be paid. We went over two or three options. The company is to get back to us within the next day or so about those options. If it is not prepared to meet them, then we have a particular action in mind at that time.

As far as the first part of the question is concerned, yes, we have been aware of the circumstances. Our employment standards branch is conducting a full investigation and, if necessary, I will take the same steps there as I took with Great Lakes Forgings and bring the principals in to discuss the matter.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Cooke: Mr. Speaker, before I get into the comments I want to make today, I must say there has been a marked change in the member for Chatham-Kent (Mr. Watson) in regard to the interest he is now taking in the problems in Chatham and the unemployment situation. I note that last spring he asked a very serious question of the Premier (Mr. Davis) about the baseball game—

Mr. Speaker: With all respect, this has nothing to do with the bill.

Mr. Cooke: It has to do with industrial development; it has to do with neglect by the Conservative cabinet, and it has to do with neglect by the Conservative government.

Mr. Speaker: I would have to ask the member to refer his remarks to the bill, please.

Mr. Eaton: He is a better member than you are.

Mr. Cooke: We will be watching the member for Chatham-Kent and I think the mayor of Chatham will be as well. I understand—

Mr. Speaker: And now, back to the bill.

Mr. Cooke: —there will be a serious contest for the nomination meeting in that riding.

We had the opportunity last week—

Interjection.

Mr. Cooke: The member is in real trouble in his riding with the chamber of commerce, the labour unions, the farmers. He has a lot of problems.

Interjections.

Mr. Speaker: Order.

Mr. Cooke: The member for Chatham-Kent has more on the record in the last two days than he has had for the whole of last year.

Mr. Speaker: Order, order. I am willing to listen to you if you are going to restrict your remarks to the content of the bill.

Mr. Cooke: I would like to make some more comments about the unfairness of this bill, if the member for Chatham-Kent will restrain himself.

More and more evidence is coming out—

Interjections.

Mr. Cooke: Curtis Carter is listening, I remind the member for Chatham-Kent.

I would like to make some more comments about the unfairness of this bill. More evidence seems to be coming out every day about what impact this bill will have on the economy of Ontario and on jobs. I note just this morning in the *Globe and Mail* comments were made by Peter Cook:

“What is more probable is that consumers will be hurt because consumer prices will not come down as fast as people’s incomes do. There will be a transfer of income from consumers to corporations, which may or may not be a desirable redistribution at a time when consumer confidence is crucial.”

It goes on to say: “If the program is successful and works to bring wages down it will enhance the competitiveness of Canadian exports. Since it will also work to reduce demand in the domestic economy, it means that Canada is now relying more heavily than before on a recovery in exports.”

What that is saying is that by restricting wages

of hundreds of thousands of employees at both the federal and provincial levels we are neglecting the very important aspect of domestic demand for our own goods. That will result in more unemployment, it will result in higher expenses in the social sector in terms of welfare and unemployment insurance and will do exactly what my leader suggested last week at his press conference: it will result in a higher deficit for this government and will do nothing about the structural problems within the economy.

There was a Canadian Press article Saturday in my local paper, the *Windsor Star*, which stated:

“‘Restraints programs introduced by the federal and Ontario governments to curb public sector wages and prices probably were politically motivated and will worsen the recession,’ a senior economist said Thursday.

“Professor Morley Gunderson and Frank Reid at the University of Toronto Centre for Industrial Relations said in interviews: ‘The programs seem to be based on opinion polls rather than statistical evidence or academic support.’ Gunderson said he suspects both programs were politically motivated and timed to make them look successful. ‘Whether or not they were needed, it looks good,’ he said.

“Reid said: ‘If the program succeeded in reducing government deficits, there will be less spending and fewer jobs for the private sector with the result that it is going to worsen the recession. I do not think that a school of thought exists anywhere that public sector controls are the answer.’

“He said the two programs are much less fair than the controls imposed under the Anti-Inflation Board in the mid-1970s because the current programs single out government employees whereas the anti-inflation controls were universal. There is little evidence to support the widespread belief that public sector wage settlements have been an important factor in recent inflation. His own studies show public sector employees have had only a slight wage advantage over the private sector employees and that exists mainly among lower-paid and female workers.”

As I said, the evidence is coming in that this program is unfair. It is politically motivated and will result in more unemployment in this province and in this country. I had a meeting Friday night with a large number of representatives from public service unions in Windsor. I believe the turnout was 50 or 60 of the trade union leadership in that sector. They asked a lot of

very serious questions which, quite frankly, I could not answer. They wanted to know what the motivation of this government was in saying even nonmonetary items could not be settled through arbitration. What logic is there in the fact that this bill completely destroys not only the right to strike, but also access to arbitration in order to settle nonmonetary items?

They cannot understand why the section on the nine per cent phase-in is so incredibly arbitrary that they cannot make written or oral presentations and the Inflation Restraint Board need not give any written or oral explanation of why it has come to the conclusion and the decision it has. They are angry and feel very much betrayed by this government. The basic feeling all of them have on behalf of their membership is one of alienation and helplessness. They asked me how an individual making \$15,000 a year, or how the library assistant in the case I raised last Thursday evening, who is making \$16,000 a year, could possibly contribute to inflation.

They wonder how fair it is that gasoline, natural gas, food, Ontario hospital insurance plan premiums, Hydro, all those prices will not be controlled and all increased costs for those agencies can be passed through to the consumer, yet their price of labour, their salaries, their wages are absolutely controlled with no pass-through, no recognition of interest rates and the other increasing costs we all face in today's society.

They asked why the government continues the ad valorem tax on gasoline. Why is it that, on one hand, the government says cost of living allowances are not acceptable—five per cent is the limit—but, on the other hand, a cost of living tax which provides that every time the base price goes up the tax goes up, so that there is a built-in inflation factor, is maintained by this government? They ask why the Premier and the Treasurer of Ontario (Mr. F. S. Miller) are so silent on interest rates and why they have not pushed much more aggressively, and used the power they have within this country, to force the federal government to act to lower interest rates.

They feel their jobs are at risk because of the municipal transfer payments. We have received and heard about the threats from the Minister of Municipal Affairs and Housing (Mr. Bennett).

Hon. Mr. Bennett: They are not threats.

Mr. Cooke: No. They are promises that they may get up to five per cent; it is more likely zero per cent. In many cities, especially those like

Windsor, Sudbury, Brantford and other cities that have been hard hit by the recession, it will mean layoffs at the municipal level and at the school board level.

There are also implications for property tax increases. On the one hand, their wages are being limited; on the other hand, by lowering the transfer payments so that they do not keep up with the rate of inflation, property taxes are being raised and they cannot pass those costs on through their wage increases.

I noted last week the Minister of Municipal Affairs and Housing said municipalities should cut back on nonessential items, such as recreation. Perhaps that minister over there is living in a dream world. In the city I come from—and in Chatham and in Brantford and in Sudbury—the families that are on layoff cannot afford to go away in the summer for a vacation. They do not go down south, as perhaps the minister does, or on a winter vacation. They stay at home and take advantage of the recreation programs that are provided by the municipality. Yet this minister and this government say those municipal activities perhaps should be cut back, that they are nonessential items. For many thousands of children they are essential items.

Hon. Mr. Bennett: It is a review.

Mr. McClellan: What does that mean?

Hon. Mr. Bennett: That is exactly what it means.

Mr. McClellan: It means a cutback. That is what it has meant for the last eight years.

Mr. Cooke: If the grants are not increased to keep up with inflation it is a cutback. That is exactly what it is.

Perhaps the government would be willing to entertain a suggestion that was made by various union representatives to me on Friday. The big rationale—it was enunciated again in the Legislature by the Treasurer—for controlling public sector wages is that they have job security. That is not something I agree they have, because there have been teachers laid off, there have been chest clinics that have closed. There have literally been hundreds of jobs cut out of the public sector. The Ontario health insurance plan office in Windsor is another example. Sales tax offices have closed down. Those people have lost their jobs.

If the government is saying there is job security, perhaps it would be willing to amend this bill in two ways: (1) there should be no provision and no allotment for any contracting out for the elimination of jobs—no contracting

out; and (2) when an individual retires, that job should not be eliminated through attrition but be replaced so the public service stays at the same levels.

I doubt very much whether the government is willing to look at those kinds of alternatives. They talk about job security and then at the same time they eliminate programs, they cut back the colleges and universities and the end result is more layoffs.

I would like to talk about what I think is a positive alternative to this very negative and regressive program. It is a program this party put forward last week and much of it was also part of our pre-budget statement earlier this year. Our alternative puts jobs as the first priority. For the nearly 700,000 people who are unemployed, that is what they want to hear from a government. They want to hear from a government that says, "Jobs are a priority. We value your abilities and your skills. We want to have you contribute to society, not have to resort to unemployment insurance and welfare."

Let us look at housing. A government that was innovative and that cared would look at the needs of middle- and low-income families in this province. They would do what we suggested—put \$150 million into new rental units for middle- and low-income families. That would create 33,000 new taxpayers in this province. It may initially cost \$150 million, but by and large those 33,000 people are now living on either social assistance or unemployment insurance. We would turn 33,000 people into taxpayers in this province and we would also create spinoff jobs in the various sectors, such as appliances, furniture and so forth.

About conservation, instead of the ads that talk about "Conserve it, preserve it," let us get serious and get into a major program of conservation. Let us give low-interest loans to people who want to convert to natural gas or for insulation and have energy audits done. Those types of programs could create 20,000 more taxpayers in Ontario.

About public works, we need only look south of the border to see where the neglect of cities has resulted in the need for literally billions of dollars of investment in terms of basic services within municipalities. We cannot allow that type of thing to happen in Ontario. There are cities that very much need to have roads built and sewers improved. We should be talking very seriously about accelerated public works projects in order to create jobs and to fulfil very important needs at the municipal level.

In the longer term we are talking about addressing the structural problems within the economy. We have put forward our Autocan proposal that would use government capital to co-invest with the private sector to modernize our auto parts sector. This would take advantage of the Canadian base that exists now, to build on that Canadian base, to improve competitiveness and to combine that with pressure that should be exerted on the federal government to bring in content legislation. Even under present economic circumstances that would create thousands of jobs in Ontario and would address a very serious structural problem within the economy.

Also in the auto sector, we very much need to get into research and development and that would be one of the very important mandates of Autocan.

In food processing, since the beginning of the 1960s, over 1,300 independent Canadian food processing plants have closed in Ontario. They have been taken over by the large multinationals and now, as I said the other evening, we are a net importer of food in Ontario. We need to get involved through government investment, not through grants and giveaways to such multinationals as Heinz. We need to say to those multinationals that, sure, we need to replace our imports—for example, tomato paste—but we are not going to bribe the multinationals to do it. If they do not want to do it on their own, we will co-invest with the farmers and get into co-ops or we will look at the Canadian suppliers and food processors and co-invest with them. We can replace a lot of our imports through an industrial strategy and planning in that sector.

3:30 p.m.

The biggest deficit throughout the nation exists in machinery. We import literally billions of dollars worth of goods in the machinery sector each year. Through a capital investment program with the private sector, and in some areas on our own, we could create thousands of jobs. We talked extensively about mining and forestry machinery when we were debating the Sudbury situation on Friday. We have incredible deficits in those areas.

The demand exists and the jobs are very much needed in northern Ontario. Instead of setting up committees to study the problem, instead of blaming the federal government and waiting for the federal government to act, why does this government not go it alone if the federal government will not co-invest?

We have an incredible number of machinery

imports in the manufacturing sector as well. For example, even when an automobile plant is built up from the ground, the bricks and mortar represent usually around 20 per cent and the machinery and tooling accounts for about 80 per cent. The vast majority of that machinery is imported and therefore we are exporting thousands of jobs.

Also mentioned on Friday during the Sudbury debate was the serious need to refine our minerals here in Ontario at source, a position we thought was endorsed by the Minister of Natural Resources (Mr. Pope) on Thursday, but he backtracked from that position significantly on Friday.

We must trim a significant amount of government waste. There is waste in this government, for example, in the capital expenditure of Hydro which need not take place if we had a conservation program and if we took advantage of the surplus that already exists in Hydro production. We need not expend that amount of money. We could take that capital investment and use it in the manufacturing sector in Ontario.

We have suggested other areas. For example, this party has gone on record to say we should not be investing in Trillium Exploration Corp., that we should be using that money to invest in Ontario for Ontario jobs.

The advertising budget, while it is a small percentage of the overall provincial budget, is a significant, symbolic expenditure of a government that on one the hand says, "We have to cut back your wages and tear up contracts," but on the other hand says, "We can promote our party through the expenditure of provincial funds." We think 50 per cent of the provincial government's advertising budget, at least, should be cut, for a saving of \$20 million.

To fight inflation, we have put forward the proposal that the price of Hydro and of home heating fuel should be frozen for eight months. Public transit fares should be frozen for one year. The ad valorem tax on gasoline should be frozen at its current level, we should freeze the retail price of gasoline at the current level for six months and then allow price increases only as established under the energy accord between the federal government and the western provinces.

In the matter of rents, there are extremely serious problems in terms of passing through increased finance costs. I am sure my colleague the member for Etobicoke (Mr. Philip) will expand on that in his presentation on this piece of legislation. There have to be amendments to the Residential Tenancies Act to protect those

tenants from the large increases that range up to 40, 50 and 60 per cent in some areas, because of refinancing, especially here in Toronto.

Food is obviously an essential item, one in which this government does have a role to play. We should not be allowing the middle man, the wholesaler, the food processor, to expand his profits from food. Obviously, there is a need for the farmer to maintain and achieve profit levels, but the middle men are the ones who are profiting right now and we have to make sure those profits and the margins between the price at the farm gate and what is charged to the consumer are closed.

At this time, job protection is very important. Last week I raised the case of Windsor Packing, and my colleague from Windsor-Sandwich (Mr. Wrye) mentioned it again today: a company that could put up a notice on its door at seven o'clock last Thursday morning saying the plant was closed. There was no prior warning to the union, no consultation with the union; the only consultation that occurred was a message that had been given to the union at the beginning of September that it was time to have preliminary contract negotiations. There was absolutely no indication that this plant had any difficulty at all.

There are many other cases. We studied many plants in the plant shutdowns committee, which was then destroyed, discontinued by this government. We have got to look at amendments to the labour acts in this province to provide for mandatory justification; and in order to have mandatory justification for plant closures we have to have longer notice—at least six months. We also have to look at expanding the severance pay provisions that were introduced by this government a little over a year ago so that we have universal severance pay in Ontario.

This government has a very important role to play when it comes to interest rates. I said last Thursday, and I repeat today, that this government continues to give conflicting messages to the federal government as to what its position is on interest rates. On one day the Premier says they should be lowered; on the next day he says we have to take into consideration the effects on the outflow of capital. He does not support currency controls.

We should be sending from the Ontario Legislature and from this government a very clear message to the Prime Minister that we expect a directive to be given to Gerald Bouey that the interest rates have to be lowered. If this

means there have to be controls on the outflow of capital, then it means we have to put controls on. But the damage that is occurring to this economy and to individual people in this province and in our country, caused by the high interest rates, simply cannot be allowed to continue.

In the short run, this government has to put into place interest rate assistance programs for small businessmen, farmers and home owners. It is simply unfair that thousands of people in Ontario have lost their homes and this government just sits back, throws up its hands and says, "It is the federal government's fault." Other provinces have brought in programs: the Social Credit Party, the Conservative Party and my party have all brought in programs; but this government instead decides to play the political game of passing the buck and saying it has no role to play at all.

The issue of banning extra billing was raised in the Legislature today. I do not think there is any more symbolic issue for workers in this province than that of the doctors in this particular wage control legislation. On the one hand, the government gave a \$750-million settlement over three years to the doctors just a few months ago, and then they come back here today and say: "We have signed an agreement with the doctors. They are on their own. They are individual business people, and therefore we cannot touch the so-called contract we signed with them." On the other hand, they suggest to 500,000 employees, 400,000 of whom are unionized, that their contracts can be torn up, that they mean nothing.

Now the Premier has called a meeting with the doctors for tomorrow, at which time he is going to beg them to show some voluntary restraint. He is going to use moral suasion. On the one hand he uses legislation for the ordinary working men and women of this province, and on the other hand, for doctors, the highest income earners in the province, he attempts to use moral suasion. I think that is a very unfair approach, and I think the idea is going to come back to haunt this government.

As we go on in this debate, and when we have committee hearings, the inequities, the unfairness and the arbitrary powers that have been given to the Inflation Restraint Board by this legislation will become increasingly clear to the people of this province. There are other parts of this restraint program that are still to come forward. They will not be debated in the Legislature, but they will be announced by cabinet: cutbacks in

transfers to municipalities, school boards, colleges, universities, hospitals, leaving those already living in a situation of poverty in our province to go into a situation of deeper poverty. These are all part of this government's restraint package, a package that makes no economic sense, but that, in the short run, will make a lot of political sense to the Conservative Party.

3:40 p.m.

The cutbacks to colleges and universities that have occurred over the last decade will continue. They will probably be hastened. The end result will be that, in future years, we will not have adequate numbers of engineers. We are already short. The kinds of skilled people we need in the high technology area will be in further short supply. The evidence is very clear that this government is taking a short-term political approach when we need a long-term economic approach to solve these problems.

We expect this bill will go out to committee after we have had a lengthy debate here in the Ontario Legislature, and that in committee we will have the opportunity to hear from all sectors of the economy: the labour movement and individual people who are being hit hard by this legislation. In the five years I have been a member, there has been no other piece of legislation that I have been more opposed to. I wish we were still in a position in this Legislature to have more influence on this government, but since it has re-achieved its majority, it has become more out of touch and more arrogant than ever. I doubt very much whether there will be any significant changes in this legislation.

I can assure you, Mr. Speaker, that this party and this caucus feel very strongly about the legislation. We will fight it on second reading; we will fight it in committee; we will introduce our amendments, and we will vote against this bill on third reading. There is no amendment I can foresee that could possibly change the position of this party, because the principle of this bill is completely contrary to the basic principle of equity in which we, in the New Democratic Party, believe.

I was going to say I look forward to further debate on this legislation. I do not. I really resent having to be back here to debate such a regressive piece of legislation. I would much prefer to have been back here debating a job creation package.

Mr. Watson: You would prefer to be in Chatham.

Mr. Cooke: No, I have not been to Chatham lately, but I will be there next Sunday at one o'clock at the UAW hall, if the honourable member would like to stop by.

I hope this government will not try to stop the public hearings when the bill is referred out to committee. I hope this government will allow full and complete public hearings. I hope that somehow, through those public hearings and through the individuals who present themselves before the committee, there will be a withdrawal of the legislation, but, to be a little more realistic, knowing the position of this government and the position of the Liberal Party—or what we should perhaps be calling the Liberal-Conservative coalition—I hope there will be some changes in this legislation, at least.

Hon. Mr. Bennett: Mr. Speaker, last Thursday, as I indicated to this House, we had the opportunity of meeting with representatives of the Association of Municipalities of Ontario, the overseers of the responsibility from the province to the municipalities. There are some 838 municipal units in this province.

At the time the Premier (Mr. Davis) and I had the opportunity of meeting with them, we reviewed the reasons for the legislation that is at present before the House. We took into account some of the problems that municipalities had been facing over the last number of years. We reviewed with them things relating to the grant formula, arbitration, and the increase in costs to the municipalities as far as licence fees and things of that nature were concerned. At the time I emphasized again that I doubted very much that there would be any substantial increase in the grant payments in actual dollar factor to municipalities in the year 1983.

We went through the situation with the municipalities, and I want to emphasize here today, to put it to rest, the fact that never at any time have I discussed with municipalities that I was going to encourage the Treasurer (Mr. F. S. Miller) of this province or, indeed, the cabinet to increase grant payments to the same extent as inflation was affecting this province or the country.

I said a year ago in speaking to the Association of Municipalities of Ontario that this was not my intention, that I would seek for them what I thought was a reasonable amount of increase in transfer payments in relation to the province's ability to raise revenue; but I assured them, as I assure this House this afternoon, that I was not going to recommend to the Treasurer that we look at an inflationary factor.

I said it clearly and I repeat it: If that is what we are looking for and if that is what municipalities want, the problem, in my opinion, is that we are encouraging inflation instead of trying to defeat it. And I did not see the responsibility as solely with the federal government or solely with the provincial government; it must be a collective effort by all governments if we are to try to bring inflation down to a more realistic level.

Mr. Cooke: Forget the rhetoric. Tell us what effect this will have on inflation.

Hon. Mr. Bennett: I would suggest, Mr. Speaker, just to reply to the interjection for a moment, that if we took the attitude taken by the honourable member—do nothing and just let it go on—it will eventually devour us. If the member thinks the way to succeed is to spend his way out of a difficult situation, I can tell him that is not my opinion—a long way from it. The members over there are the greatest ones in the world to try to tell us all the time how to reduce the cost of running government but increase the expenditures.

Mr. Cooke: Time out, there.

Hon. Mr. Bennett: Time out, yes. I will tell the member: With him around, we have had time out for about two hours and 30 minutes in the last couple of days.

Mr. Speaker, I have met with the municipalities on a number of occasions, and let me assure this House that when we met with the municipalities last week, we reviewed with them some of the areas of responsibility. At the time we met with them we reviewed some of the things they were going to be confronted with. The first one the municipalities raised with us was the problems they have been confronted with in the field of arbitration over the last number of years. And they had some very, very strong views.

They submitted to this government a report from AMO that clearly indicates the way they believe we should be handling arbitration in relation to many of the municipal disputes that have taken place. The ministry, along with the Solicitor General (Mr. G. W. Taylor) and the Minister of Labour (Mr. Ramsay), is reviewing that report now, and we hope to have some responses to the municipalities in relation to that report.

But one of the things they could see as a positive aspect of the legislation we are dealing with at present is the fact that, at least for the period of 12 months, they will have a breathing space to try to review the situation in the place

they happen to be in. I want to say clearly to this House that I was delighted with the remarks of the president of AMO, which were clearly very supportive of the legislation.

Mr. Cooke: Who did you talk to? The Tories?

Hon. Mr. Bennett: If the honourable member thinks we were talking to the Tories, he should ask the member for Cornwall (Mr. Samis) whether his mayor happens to be a Tory, because that is not my understanding. Indeed, there were several other mayors and reeves in attendance at the time. Thanks, George, for confirming it. He is not a Tory.

Mr. R. F. Johnston: He is a Liberal. It's the same thing.

Hon. Mr. Bennett: No. I would say he is like a lot of NDPers who run for political office municipally: he is apolitical until he is elected.

Interjections.

Hon. Mr. Bennett: Mr. Speaker, I will not get dragged into the little side discussions they are having.

The Deputy Speaker: Continuing on with the debate.

Mr. Kerrio: We know a good thing when we see it.

Interjections.

3:50 p.m.

The Deputy Speaker: Order. The member for Niagara Falls (Mr. Kerrio), are you next? Are you coming up next?

Hon. Mr. Bennett: Mr. Speaker, I was talking about the compulsory binding arbitration. We are reviewing the report. I do have some sympathy for the municipalities and what they have experienced over the last period of time. They believe they have had little or no control over the wage settlements. I think it has caused the municipalities unbelievable grief. I am not really worried about whether I am talking about Windsor or Chatham or any of the other municipalities in this province. They have all been confronted with basically the same problem. They have not had control over their own negotiating situation.

Mr. Philip: You are their problem.

Hon. Mr. Bennett: The member over there can argue it any way he wants. If I am their problem, at least they speak very highly of their problem. That is the main thing. I can tell him the complimentary remarks I have had. I take some degree of satisfaction and pride in the fact that the municipalities respect the fact that

there is a Minister of Municipal Affairs and Housing who tries to assist them, but also tries to put them clearly and distinctly in a very positive position when he gives an answer. He is not like the NDP. He is not going to run around giving two or three different answers. I will give them a very straightforward position, not one in the House and one outside the House.

Mr. Cooke: You do not give us any answers.

Hon. Mr. Bennett: I gave them a straightforward answer. The member is complaining this afternoon because I gave them an answer.

Mr. Cooke: Answer my question: What effect will this have on inflation?

Hon. Mr. Bennett: On August 26, I gave them a very clear, distinct answer. I told them their increase in payments was going to be little or nothing in the 1983 year. They have asked constantly for somebody to give them some advance notice about where they are going as far as transfer payments are concerned for the preparation of their budgets for the following year. Because I gave them that kind of answer, the member says it is a dictatorial position. I do not consider it dictatorial at all. I think it is an informative position. It gives them the opportunity of trying to determine their budgets.

I said to them, "If revenue positions of this province change, then the Treasurer will be in a better position to try to cope with them." Let us not have the situation I see so often, where people go out at the municipal level and make expenditures predicated on what they believe is going to be the transfer payment position. They commit themselves to some long-term debt and then come back to say to us, "But we thought we were going to get XYZ."

I said to AMO: "Here is the clear-cut position we are in at the moment in this province, here are the economic conditions we have, here are the revenue positions we have in this province as enunciated by the Treasurer. Don't go out spending money that I can't assure you you are going to get. Live within your means."

The member asks me why I said that to the municipalities. I said to them very clearly that day and I say again today that they have to review their priorities. That is not my responsibility. Mine is to give them as much advice as possible so that they can be on the right road. I said there are other areas. In my personal opinion, there are some I do not think they can interfere with. Those are the life and safety factors of our community—the fire and police for two of them; welfare payments for another—

because they are virtually dictated to us, whether we like it or not, as members of the Legislature. They are there.

There are other areas of expenditure that municipalities still have a certain degree of authority to make. That is what they are elected to do.

Mr. Cassidy: Close the swimming pools.

Mr. R. F. Johnston: Close the day care centres.

Hon. Mr. Bennett: Let me say to the members of the third party who are the greatest ones to talk about closing this and closing that, they would have us move into areas and close up everything except their pet projects. I suggest to the member for Ottawa Centre (Mr. Cassidy) that the decisions relating to the competence and capabilities of a municipality will be, I trust, made by the locally elected municipal officials, and not by the bureaucrats.

Mr. R. F. Johnston: You are forcing them into it.

Hon. Mr. Bennett: I am forcing them into nothing, Mr. Speaker. I am suggesting to them this is the number of dollars they have. They should not spend their way into bankruptcy. They should practise the policies that are within the framework and the financial capabilities of their taxpayers.

Mr. Cooke: How do they feel about the Treasurer's sales tax?

Hon. Mr. Bennett: I was coming to that issue, but I will deal with it now. I admit to this House that they did mention to the Premier they felt it was an unfair situation. I do not deny that at times there are certain things imposed upon this government by our federal friends that we have to accept whether we like them or not. There are occasions when, because of legislation or because of the time of budgeting in a province, something is imposed upon a municipality—

Mr. Cassidy: That was not mentioned. You should talk to the guy in front of you.

Hon. Mr. Bennett: I have to say that, overall, the fellow in front of me does an outstanding job.

Mr. Cooke: You do not have to say that. The Treasurer is out of the leadership race.

Hon. Mr. Bennett: The problem with the members opposite is that they think everything is—it might be fall and the leaves are falling, but it is not money coming off the trees. The member for Ottawa Centre might think it is, but it is not.

Whether the Treasurer is in or out of the leadership race, let me assure the member he far surpasses anyone who sits on that side of the House. He has brought forward to this province a realistic budget to try to keep us in a positive economic position, not only in the eyes of the financial community of this country, but indeed in world circles. Without it, the cost to this government and to the people of this province would be a great deal higher than it is today.

A great number of words of compliment should go to the Treasurer who had the intestinal fortitude to do some things that may not be popular. He did them because it was in the best interests of 8.5 million people of Ontario, not just the Tory party of Ontario, the Liberal Party or the New Democratic Party, but indeed for all 8.5 million people who are concerned about the long-term position of our province, financially and in so many other ways.

Mr. Cassidy: I bet you enjoyed it. You really do, kicking the unemployed like that.

Hon. Mr. Bennett: I hope the member for Ottawa Centre read the article on the editorial page last week about him kicking the unemployed where he could do certain things. Did he read that little story in the Ottawa Citizen? I do not read it that often, but I trust he did.

Mr. Kerrio: Tell us about Saskatchewan where they took away the right to strike. What about the people out there?

Hon. Mr. Bennett: During the course of the afternoon when we met with AMO for an hour and a half or two hours they had certain complaints, but overall they saw this particular piece of legislation as being very supportive of their position.

As the members know, they sent the Premier a letter at the time he was in the Maritimes at the first ministers' conference, supporting him in his position that we should bring in a restraint program in the province. Last week, they went through the situation with the Premier and said there were areas where certainly they had some concern, but basically they supported the initiative of this province.

On that AMO executive there is a political philosophy very much right and left of the centre of the government of this province. So it comes from those representing various jurisdictions that may not have the same political decision-making as this party happens to represent in Ontario.

Let me only touch on one or two other items that I think are of importance. Certain municipi-

palities require extra help and I said — and I trust the member from Windsor will recall that I said it although he conveniently omitted that in his remarks this afternoon—that at the time of reviewing the transfer payments, the policy that will be enunciated by this party and government will take into account some of these conditions at the time of review of the communities where there is a very excessive unemployment situation prevailing. I indicated Brantford, I talked about Windsor, I mentioned Sudbury and several others.

Over the years, this government has dealt with municipalities in a very fair and honourable way. They have recognized the problems. I did not say we had an answer for all of them but certainly we recognized them and assisted them. They have been treated very fairly in the transfer-payment formula in the past and will continue to be dealt with in that fashion. I trust that their move the other day was to try to assist this province in meeting the challenge that was offered at the time we opened the House a week ago when the Premier said, “I trust that together we can find the means and the will to best achieve economic recovery for Ontario and for Canada.”

I say with a great deal of delight that the municipalities have responded in an extremely positive way to assist this province in trying to recover from some of the economic ills that we experience today and not to continue to try to plough us deeper and deeper into a problem.

Mr. Speaker, I am pleased to support the bill that is before the House. I guess the greatest satisfaction is that I find AMO, which represents 838 municipalities in Ontario, is fully in support of the government's position. I look forward to the bill returning us to a stronger position economically, not only for this province but in its makeup for the nation.

Mr. Van Horne: Mr. Speaker, while we have the Minister of Municipal Affairs and Housing (Mr. Bennett) and the Treasurer (Mr. F. S. Miller) present, I am going to take the liberty of digressing for a moment and ask your indulgence—if I can get their attention.

Are the Treasurer and minister of municipal affairs with me?

Hon. Mr. Bennett: Yes.

Mr. Van Horne: Okay.

In my community, there is one of the biggest, if not the largest, single dollar commitments made between this province and a municipality. I am referring to the relocation of Victoria

Hospital to the Westminster Hospital site. If the Minister of Health (Mr. Grossman) were here, he could probably solve the mystery of the dollars.

When we are talking about co-operation from municipalities, I am sure the Minister of Municipal Affairs and Housing will have some understanding of the need in our community for the dollars to start flowing into this project, dollars that I understand have been committed. The question is how much longer must we wait until they can get started on this project.

4 p.m.

The delays that have come about in the past month or two mean that instead of having two winters to work through the construction of this megaproject, they will likely face the prospect of three winters of construction.

I ask the Treasurer and the Minister of Municipal Affairs and Housing whether they can shed any light on this. If they could nudge the Minister of Health in this regard, the municipality—and the mayor in particular, the gentleman with whom I spoke only 24 hours ago about this—would be very appreciative because this, in turn, would mean the construction industry would start to move again in our community. We would have a little more to hope for and to work with in the next few years.

Having allowed me that small digression, Mr. Speaker, I will move now into a few words on Bill 179, which our party is supporting, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. That is one of the longest-titled bills that any of us has seen in some time. I only hope its length equates to something positive. We are all desperately hoping that something positive does come out of this piece of legislation, because we are in desperate times.

Some businessmen in my community have suggested to me in the past few weeks that it is time for partisan politics to be put aside. I remind the members on the far left of this chamber of that need, and not the members opposite, because they are obviously very much aware of the need for partisanship to be put aside. This is the equation used by many of the people I know back home: “It’s wartime, folks, and we’ll only win if we can pull together.”

We support the bill with the hope the war will be won. We are supporting it too with considerable pride, because members will recall that during the earlier part of the summer it was our leader who took the initiative in suggesting full

wage and price controls in the province and, he hoped, in the Dominion of Canada.

We are proud of the leadership shown by the member for London Centre (Mr. Peterson), our new leader. As members know through his words and through the words of other people in the party, we support Bill 179. But at the same time we must point out that this bill is not the complete solution to the problems we are facing in this province and in this country.

One or two of the people in the fourth estate have referred to this as a five per cent solution to a 100 per cent problem. I would be more kind. I would submit that if we all worked together on this five per cent solution, it could turn into something closer to 100 per cent.

Each member of this assembly could give examples from his or her own riding as to the effects of inflation, unemployment and other factors that have almost brought us to our knees, economically speaking.

In London, the city of which I am proud to be part and which I represent in London North riding, we have had problems not unlike those faced by other communities.

The General Motors diesel division has a large plant in the northeast corner of our city. It happens to be in my riding. It has suffered the knocks and blows of the economics of 1980, 1981 and 1982. The Ford plant at Talbotville, just a few miles to the south of my community, has many of its workers living in the riding of London North. It too has been affected by prolonged layoffs and cutbacks.

I could name any number of smaller businesses in our community, but I will use only one name, that of Postian's Ltd., a rug business more than half a century old. It was a very successful family business that was brought to its knees by the economy we know in 1982. It had to close its doors a few weeks ago.

I could go on and on with these stories of heartache. I have brought along my telephone-call file. Every member has one of them. The call slips for today, picked up over the weekend from the answering service, are 18 in number. Of the 18 calls, 12 relate to being laid off or to some problem the person is having surviving in today's economy.

I could go on and on. The University of Western Ontario, also in my community, is my Alma Mater and a post-secondary institution that is renowned in our Dominion. We also have one of the finest community colleges, Fanshawe College, in the riding of London North. Both these institutions have many hundreds of stu-

dents this fall who are there without the money needed to get them through the year. Summer jobs and part-time jobs are drying up. The students in turn are suffering, hoping somehow or other to survive the winter.

The universities, the colleges and the various boards and commissions within our community are all trying desperately to survive the exercise of economics in 1982 by holding the line or by cutting back wherever they can. We have to ask ourselves, "Is this enough?"

Of course, we know there are only certain portions or elements within the community over which we as a Legislature have direct control. We have to hope that what we are doing will rein in that sector of the community to help slow down the inflation process and put some stability back in our economic life, that the ripple effect will spread into the private sector and that we will see restraint shown there as well. A number of companies in the private sector have already said they are holding the line on expenditures and they will not have their usual percentage increase, whatever it is, this year. It is to be hoped that there will be a spinoff.

Aside from the interest we have in our own communities, we in the opposition have various assignments to reflect the job we have in opposition. I am referring now to the role of critic. In my area of criticism, Northern Affairs, it is most appropriate that I direct a considerable number of my comments to the concerns we have about restraint and about the economy as it affects our various areas of criticism. I will be addressing a substantial number of comments to this theme as it relates to Northern Affairs.

It is interesting to note that no matter what happens in Ontario, be it good or bad, it is always reflected with a slight increase in the northern part of our province. If we have an unemployment rate of 10 per cent here in southern Ontario, for example, one will likely find a rate of 12 per cent or more in the north.

The unemployment statistics are devastating when one looks at a community such as Sudbury, which at present has 26.9 per cent unemployed. We were given these numbers only a few days ago by Statistics Canada; so I hope their accuracy is as good as it can be.

In Thunder Bay, again quoting Statscan figures, unemployment is 10.1 per cent. In northeastern Ontario generally, it is 18.9 per cent; that compares with Ontario, which in total has an unemployment rate of 10.1 per cent.

Things are desperately tough in northern

Ontario. As I pointed out in the emergency debate on Friday, restraint has become a way of life in northern Ontario, not only for those working in the public sector but also for many people working in the private sector.

4:10 p.m.

We have to take a look at the differing costs of surviving in northern Ontario and ask whether restraint is as fairly applied in the north as it might be in the south. The increase in food prices in southern Ontario during August, for example, was 7.3 per cent; in the north it was closer to nine per cent.

You do not have to spend too many days up in the north buying such luxuries as fresh fruit, for example, to realize you will pay 50 cents or \$1 or whatever more, depending on the size of the bag of apples you buy. You pay more in Sudbury, more in Sault Ste. Marie and more in Wawa than you spend here in Toronto or in Hamilton or in London. They have that additional factor to contend with. They also have the severity of climate to contend with; their fuel bills are considerably higher because of the longer and colder winters.

One has to ask about the fairness of restraint across the board. In talking with the people I know in the north—I certainly made a point of contacting as many as I could after this bill was introduced to get their reaction, and I attempted to get as much reaction as I could from the northern media—the general consensus was: "We are as much Ontario as any other place. We want restraint if it is going to help." So there is a spirit of co-operation, even though economically they suffer more than we do in the southern part of the province.

I mentioned in general terms the effect of the economy on the employment situation, using very general numbers for Sudbury, as an example, with more than 26 per cent unemployed. I must point out as an aside that although these are Statistics Canada numbers, the percentages are probably higher. As the Treasurer knows, not everything is recorded officially in a government office. Many people who do not take the time to register would not show in this percentage; therefore, the actual percentage unemployed would be considerably higher than is officially recorded.

I wish the Minister of Northern Affairs (Mr. Bernier) were here, because he should be made aware of the concern we all feel about the specifics I am going to refer to.

In the mining industry, a 13-week layoff of Falconbridge's entire staff of 4,000 was announced

recently. That will last until the end of September. Inco announced about a week ago that its layoff situation will continue into 1983. There are indefinite layoffs of 2,100 at Algoma Steel in Sault Ste. Marie. It is interesting to note that 750 employees at its tube mill were given layoff notices that lasted through the month of August.

Sherman Mine in Temagami and the Adams Mine in Kirkland Lake are other examples of very high layoff areas. At the Umex mine at Pickle Lake, 210 people lost their jobs. Eighty people were laid off at Dickenson Mines at Red Lake. And so it spins through the north of our province from mining community to mining community.

When one sees this—and this is why I had hoped the Minister of Northern Affairs would be here—one has to ask whether the devastating effect of layoffs in single-industry communities has been properly addressed by this government. Although we say, "Yes, it is great that you bring in Bill 179; it's great that you talk about restraint," we have to ask in the next breath: "But where is the total package for the economy of this province? Where is the total package that is going to put us back on our feet in every possible way?"

We can consider the forest industry for a moment. The layoffs in the forest industry are just as bad as they are in the mining industry. Layoff announcements change so quickly that keeping an accurate count of the layoffs at any one time is almost impossible.

The effect of this on people can be found if one takes a look at population figures in the north. Northern Ontario's population in the year 1981 stood at 819,576, an increase of only 2,435, or 0.3 per cent, since the last census in 1976. This is the smallest five-year increase in population for northern Ontario since the end of the Second World War. Over that same period of time, Ontario's total population increased by 4.4 per cent.

Northern Ontario's total population has remained fairly stable since 1971, when it was 806,719. This means that northern Ontario has not kept pace with natural increase and that nearly as many people have left northern Ontario in the past 10 years as has been the natural increase in the past 10 years.

Why is this? People have been forced to leave the north mainly because there are not enough job opportunities. Again we have to ask: In all the studies that have been done on the single-industry communities, in all that has been studied on the environment and other factors in

the north, where is the answer? Where is the total package? Where is the leadership we need to keep this province of ours stable?

I have indicated time and again, as have my predecessor as critic of the Ministry of Northern Affairs, the member for Rainy River (Mr. T. P. Reid), and my leader—who not only speaks of support for the north but also shows his determination to help the north and his desire to speak out on its behalf by actually being there and by working with them—that northern Ontario has been treated as a colony of the south and that this colonial status has been reinforced in such areas as transportation costs. Northern economic development has been impeded by the predominantly north-south pattern of the transportation system.

According to an analysis by the Ontario Economic Council, shipping rates are significantly lower for goods outbound from the region than for shipments originating in other parts of Canada and destined for northern Ontario. The council concludes that the high level of rates on inbound movements is detrimental to the region's ability to diversify from its existing narrow export base, because many essential components of this secondary manufacturing process must be shipped over considerable distances.

It is interesting to note that the only concession, and it is a very minor concession, that has been made in this regard was found this summer when, after talking about this experiment for about three or four months, Canadian Pacific, Canadian National and the Ontario Northland Railway are going to reduce freight rates drastically for most types of northward-bound boxcar freight. The reduced rates will apply to certain limited commodities and are part of a short-term market test to see what sort of business reduced rates will generate.

4:20 p.m.

That is the only concession that has been given in the past two decades for transportation costs for northern Ontario, and it is a very small concession to a very major problem. Only a handful of selected commodities are going to realize the benefit of this lower rate. I wonder what it is going to take to prove the need the north has.

Dealing with another topic of concern, Ontario law says that all metals mined in the province must be refined completely in Canada, yet the Conservative government has passed hundreds of exemptions. It has passed more than 65 in the past half dozen years alone, allowing millions of

pounds of semi-precious metals out of the country and providing processing jobs elsewhere. This law is for all purposes almost nonexistent.

Of the metallic minerals mined in Ontario, about 30 per cent of the zinc, 33 per cent of the nickel, 100 per cent of the platinum group metals, 38 per cent of the lead, 17 per cent of the iron ore, 11 per cent of the cadmium, 10 per cent of the copper and 55 per cent of the cobalt are processed outside Canada.

Another problem we had hoped this government might address somewhere along the way so we would see an economic upswing or a return to stability in the north is the lack of an adequate supply of replacement parts in the mining industry. Most mining equipment parts are made outside Canada, although they could easily be manufactured in Canada and specifically in northern Ontario.

In 1980, Canada's trade deficit in drilling and mining machinery was approximately \$1.5 billion, a fivefold increase since 1970. Ontario's 1979 deficit was \$250 million. The Treasurer himself, I think, agreed that if these imports were replaced from domestic sources, approximately 3,500 jobs could be created.

Mr. Kerrio: You'd think we had just started mining in northern Ontario.

Mr. Van Horne: Indeed, just to reopen them.

Mr. Kerrio: That's a shame.

Mr. Van Horne: We have a concern, not on this bill itself in so many words and what it is intended to do, but about the total package of restraint and economy building which we hope will see this province of ours get back on its feet. If it does, we all know Canada will get back on its feet, because in this province we have been blessed with practically every resource known to mankind and we have every opportunity to develop those resources and take the leadership role in this great Dominion of ours.

But we do have these problems we perceive in the overall government program. The government's record in recent decades is one we are not very proud of. The truth of the matter is that we do not feel our government has ever made an honest attempt to make northern Ontario more than just a provider of resources. Northerners are still hewers of wood and carriers of water.

The Ministry of Northern Affairs has not done anything to change the situation, certainly not in the five- or six-year history of this ministry. We still have the same problems now that were there five years ago and, if anything,

rather than seeing the problems change in an improved way, they have become worse.

The government has failed to implement any plan that would lead to the diversification of the economy of the north. We still have one-industry towns up north, although there are fewer of them every day, based solely on the extraction of forest or mineral products or based on tourism. There has not been any addition to the economic base of these communities to ensure future stability. Severe difficulties have been experienced by one-industry towns that have lost their major source of employment, and I have already mentioned the names of many of these.

It was most interesting to read a press report in the last few months in which the Minister of Northern Affairs (Mr. Bernier) had called for a joint study group to look into the special problems of communities dependent on the mining industry for their economic health. What makes the report of this announcement particularly interesting is that the government established a cabinet committee on mining communities in 1977 to look at the very same problem. This committee was quietly shelved in 1980 without arriving at any conclusion or a solution.

Mr. Cassidy: That's what the member for Port Arthur (Mr. Foulds) said on Friday. Glad you're catching up.

Mr. Van Horne: I am going to respond. I do not like to respond to interjections, because I do not think it is very productive, but I think the member for Ottawa Centre (Mr. Cassidy) might recall that I too was here on Friday until one o'clock and spoke in that emergency debate. On more than one occasion I have made somewhat the same observations as the member for Port Arthur; so I do not know that I need reminding, and I will just leave it at that.

I would add, going back to this thought, that an in-house interministerial committee on single-resource industry communities was established towards the end of 1980 to examine the same problem. It has never reported. As a matter of fact, I wondered out loud on Friday whether it ever met.

What I would like to stress and reiterate is that we do not see any strategy or plan when we have this kind of evidence of confusion within the Ministry of Northern Affairs and indeed within the government itself. How much longer must we wait for a policy to be announced in this regard and in regard to the many other concerns of the north?

Going back to single-industry communities: is the government waiting for single-industry communities to disappear so they will not have any problem to deal with?

On another theme, we have the difficulty of attracting professional people in the north, whether they be dentists, doctors or physiotherapists or whatever, because they can see that one day that the resource on which a town depends, particularly because of the government's policies, is going to be finished and they are going to have to pull up stakes and move somewhere else.

Again, I am going to digress. We in this party had what I feel was a very excellent report from our health task force committee, headed up by the member for Hamilton Centre (Ms. Copps), a very diligent, hard-working and attractive member. We heard some very interesting comments and found out problems that are faced by the people in the north as they relate to the delivery of health care.

In some communities they do not even know on a month-to-month basis the name of their doctor in the community. If I may cite the case of Ignace, which was the example given to us, the doctors up there change with great regularity; it is difficult to keep one doctor in the community for a prolonged period of time.

Lack of government initiatives for industrial and economic development means that the north really sits stagnant, and I think this was evidenced in the population numbers I gave 15 or 20 minutes ago. Northerners live under constant fear that the major employer will close down and yet, in spite of the fears and in spite of the evidence from many of these communities, we do not see a meaningful government program to come to the aid of these communities or to give them any direction or hope. There are vaults full of studies which this government has commissioned to tell them what problems face the north. I have had many people in the north tell me they are sick to death of being studied. What they want is some action. They want some solutions. They do not want any more studies.

4:30 p.m.

The real problem is that nothing ever gets done. The people of Sudbury are quite aware of this. Not more than five years ago the Sudbury and District Chamber of Commerce responded to a government suggestion for development of northeastern Ontario. That brief of the Sudbury and District Chamber of Commerce concluded that the unstated strategy of the government seemed to be the colonial exploitation of the

natural resources of northern Ontario for the benefit of the Golden Horseshoe manufacturing hub of southern Ontario. That is a pretty strong condemnation.

One would think given the strength of feeling behind that statement there would have been some response from the government; a response to indicate a ray of hope for the people in Sudbury. But the response from the Treasurer of the day, the former member for Chatham-Kent, Mr. McKeough, was that there would be no major industrial development in northern Ontario, as far as he knew, for the next couple of decades. He sure has proven himself to be quite a prophet, because that has been the case. It has been precisely that attitude on the part of this government that is preventing northern Ontario from moving away from its traditional economic base of forestry, mining and tourism.

The recent provincial budget did nothing to address the economic problems facing the north. This emergency session has made no reference to the north at all, with the exception of our emergency debate on Friday, but the session was called to deal basically with Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. Again, we are not trying to segregate those people from northern Ontario who are in the public sector. As I indicated a few moments ago, they consider themselves to be very much a part of this province.

The fact is that in addition to restraint it was our fond hope in this party that the government would show leadership and would present a complete package which would show the road to recovery for the economy of this province of ours. The bill itself does nothing to address that broader concern.

The only commitment the government made to northern residents in its recent budget was to increase their vehicle registration fees by 140 per cent and to create some Band-Aid make-work projects for laid off workers. The Premier (Mr. Davis) said on Friday, in response to a question I put to him about the employment situation in the north, that of the roughly 3,000 jobs created they were practically all part-time jobs. There is no permanency at all and no hope for the winter. Come the winter, most of these part-time jobs will be gone. Nothing of permanent assistance was offered. This is the sum total of this government's initiative for the north.

We are still awaiting the government's fulfilment of its commitment, as stated in the infa-

mous Brampton charter, to have balanced growth and development in the north. I am sure many of the members opposite will recall that. It was applauded by the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) along with many of his colleagues, that wonderful Brampton charter of not too many years back. I repeat that one of those promises was balanced growth and development in the north. It sounded great; a fanfare of trumpets; then following that fanfare a deadly silence—the silence of the north.

This balanced growth and development was “to make prosperity and social and cultural advancement equally available to the citizens of the north.” These are wonderful words. I sound as if I have complete mastery of the language when I use words like those. But these are not my words. I am quoting from the government. These are the words of the Conservative speechwriters, who dream up these wonderful promises at election time. What has happened? Nothing. People in northern Ontario are truly voices in the wilderness.

There has been maybe one other thing I have overlooked in recent days, something that was directed to the people of the north. That is this two-tier hydro system that has been talked about and is apparently back for some further review. Can anyone imagine anything more unfair than such a double-barrelled blow to the people of the north—paying a higher hydro rate in the winter when they are using more hydro? That is like getting a guy when he is bending over to tie his shoe and giving him a real—

Mr. Kerrio: Help.

Mr. Van Horne: —push, if you will.

Mr. Kerrio: It sounds like the oil company proposals.

Mr. Van Horne: It is as bad as the gas company. It is amazing to me they get away with this nonsense. I really cannot understand it. I have made reference to the phone calls and messages I picked up this morning that came in over the weekend. A couple of them relate specifically—I am digressing, Mr. Speaker—to the Consumers' Gas people and their rates. I am looking forward to passing on these phone calls to the former Treasurer of the province and asking if he and his colleagues might be able to give my constituents a direct response.

So we had the famous Brampton charter—and the Treasurer (Mr. F. S. Miller) is now looking skyward, recalling the—

Hon. F. S. Miller: Bramalea, I think.

Mr. Van Horne: Is that what it was? Okay, I will take whatever you say—

Mr. Sweeney: Didn't keep either one of them—

Mr. Van Horne: Whichever it was, he did not keep it; that's right. But he is sitting there with that grin of satisfaction, knowing how wonderful it feels. It is like being in a poker game and betting all of your funds on that pair of deuces and bluffing the other guy, who happens to have maybe a full house, and the pair of deuces wins. The Treasurer has that same satisfaction, I am sure, along with his cabinet colleagues, of having duped the people of the province into thinking the promises made in that charter would all be kept.

If anything is known for sure it is that the voters in Ontario are very forgiving and have very short memories. They keep going back to the polls every three, four or five years and doing the same dumb thing time after time—electing a Conservative government. I have to suspect the Minister of Consumer and Commercial Relations (Mr. Elgie) has put something into the drinking water or whatever.

Interjections.

Mr. Van Horne: Mr. Speaker, going back to this charter: whatever happened to another of their promises in that document? And this is the promise I want to make reference to: "A commitment to replacing at least two trees for every one harvested henceforth in Ontario and to regenerate every acre harvested." That is a direct quote from that charter.

I know the member for York North (Mr. Hodgson) will agree with what I am going to say—I am glad to see him here to listen to these words of wisdom. The fact is that many northern Ontario communities are facing economic constraints within the next two decades due to shortages of timber. We are facing imminent timber shortages of crisis proportions due to years of government mismanagement, which has permitted more trees to be cut than have been replaced.

4:40 p.m.

The total backlog of unregenerated, cutover forest land since 1971, roughly a dozen years now, is more than 1.3 million acres and growing at a rate of 160,000 acres a year.

Interjection.

Mr. Van Horne: I am sure the member for York North would reconsider and say, "Maybe it has not all been looked after." During the

same period 5.9 million acres of forest have been taken out of production because of forest fires. Our attempts to grow the second forest have been largely unsuccessful and the backlog of unregenerated forest land is starting to catch up to us. Of the 549,671 acres of total cutover land in the year 1980-81, regeneration was undertaken on only 48 per cent. Some 160,000 acres were left untreated, essentially written off.

If the government was sincere about restraint being an integral part of getting the economy back together—if it was restraint for restraint's sake, if the Treasurer was concerned only about his deficit, we would not have restraint, we would not have this bill—however, he is honestly concerned and he knows the concern of other treasurers in Canada and he knows the concern the treasurers of the world have, certainly in North America. His contacts with the International Monetary Fund have given him considerable insight.

It is not just restraint in the public sector that concerns him or us. It is the overall economy that concerns us. If we look up that word "economy" in the dictionary we can get a much broader definition than any one of us could come up with in a few seconds. The implications, however, of the definition go far beyond the two or three dozen words we might find in the dictionary. The implications here for us in this chamber, in so far as this bill is concerned, are very broad when one ties restraint into the economy.

I am using some of these examples in northern Ontario to try to point out that if the government was sincere about the whole package, not just its deficit, it would have brought in a few things along with it that would help put people back to work. That question has been asked time and again by our leader and by practically every member from both parties on this side of the House. Where are the jobs? Where are those things that are going to put us back on our feet? As critic of the Ministry of Northern Affairs for our party I have to use these examples of waste, of lack of planning, of lack of concern and of the colonial mentality regarding the north to try to remind the government, as forcefully and as clearly as I can, that we have to have a full package. We have to have the north and the south of this province working and working together.

Going back to the forestry industry example, the problem is that the government really has allowed this resource to be mined rather than treated as a renewable resource. A September

30, 1981 federal report, entitled *A Forest Sector Strategy for Canada*, states that: "In Ontario a reduction of the annual allowable cut"—in the trade it is known as the AAC—"has already been made and others are likely because of a failure to adequately regenerate a large proportion of forest lands cut over during the past decade. The Hearst and Chapleau areas are among those that are in the greatest jeopardy. Shortages will become more widespread in the 1980s unless forest renewal performance improves dramatically."

With evidence like this the minister does not need more studies. He has enough evidence in this one study alone that something has to be done. A February 1981 study for the Royal Commission on the Northern Environment—that wonderful commission that is costing us millions—called the *Economic Future of the Forest Products Industry in Northern Ontario*, stated: "Fibre supplies are not only insufficient to support additional manufacturing capacity, they are inadequate to support existing capacity without major improvements in utilization." This record makes a mockery of the Conservative government's promise contained in that infamous charter.

The government argues it does not have the funds available to regenerate all cutover lands. Yet the Minister of Natural Resources (Mr. Pope) was prepared to waste more than \$10.5 million on a plane we were all so very much aware of, the executive jet. It was only public pressure that made the government or minister change his mind in that area.

One could say moreover that an investment in the province's forest industry would return far greater benefits than the \$650 million we passed on to Suncor. Again, for those who might think this is digressing from Bill 179, in so far as the bill addresses itself to restraint, it is perhaps best described as barely adequate in the overall concern we have for the economy.

I made reference to the hydro rate proposal. I will not get into that because I indicated in those few short words that even the thought of putting the people of the north to any more duress, as might be reflected through a higher rate for hydro in the winter time, would be grossly unfair. Restraint is a way of life in the north. Many of those people who have had to be laid off from whatever job they had with a mine or in the forestry industry will see in the next little while that the unemployment insurance they have been receiving, and whatever few dollars of savings they have put away, will be gone.

They face this winter without the prospect of a job. They face a winter with the prospect of likely having to survive on welfare.

The situation for those people in the north who work in the public sector is not quite so dim. But keep in mind the familial base of the north; keep in mind that families of the north share. For those who are going to be fortunate enough to have a job, albeit a job in which the income, increments or increases will be restricted to that five per cent, they will likely be sharing that income with a friend or relative to help him or her get through the winter.

I do not think there is any question that the member for Scarborough West (Mr. R. F. Johnston), with his last few weeks of activity in his day-to-day living trying to get by on what a person on welfare gets by on, would have to submit to all of us that some well-meaning folks have likely come along and offered to help him out in some way, shape or form. Most of the people in the north will not, as the member for Scarborough West will, be out of this in another few days but will have to face the prospect of continuing on welfare. They are not quite so lucky, but it is important that they, too, get not only words of support but evidence of support in money, clothing and food from their more fortunate friends and relatives.

4:50 p.m.

So those public sector folks in the north with the jobs are very likely going to find the restraint doubly pinching on them.

I know other members of our caucus have a lot to say on this bill. I am sure some of the members of the New Democratic Party also have things to say. But when one speaks in the chamber I think it incumbent on him or her to try to point out to the government where it may improve. There are flaws in this bill and those flaws will only be resolved when we get to debate in committee. I assume that is where it will end up so we can go through it clause by clause, and we have the opportunity to hear from all of those people affected.

The Ministry of Municipal Affairs indicates it has been very up front with the various leaders of our municipalities. But as the days unfold, and as the mayors, aldermen, chairmen, directors of boards of education, people on public utilities commissions and all the rest start to look at the implications of this thing, questions may be put to us involving things some of us may never even have thought of.

It is important that it be reviewed very thoroughly and in detail. But beyond that, I

think it is incumbent on members, particularly when they speak from the opposition, that they say to the government: this, of itself, is not enough; it is time for you as a government to come forward with a proposal that has some teeth in it, a proposal that will redirect the energies of people who so desperately want to work to get themselves and our province back on its feet.

We have been criticized from time to time by the Treasurer. The usually placid member for Muskoka, on occasion when his Scottish ancestry or whatever it is bubbles to the surface, sometimes says to us in anger: "I do not have all of the answers. I try to be honest with you, etc." We know he does not have all the answers, nor do we. But perhaps together we might be able to find a few that work.

The Treasurer also accuses us of wanting to spend our way to heaven and of making suggestions that will cost lots of money. That is not always true. It is just possible that if he took a look at his cabinet structure he might be able to shift a little of that deadwood around and streamline that cabinet from the number of ministries he now has to a lesser number, or to alter some of his secretariats, so-called, to have a more efficient machine, to have a more efficient government.

One ministry we might suggest would deal with the mining industry. There are any number of ministries we could suggest be dispensed with and perhaps one or two new ones that could be brought in for the north. I say this particularly to the Treasurer, and I see the Minister of Labour (Mr. Ramsay), a northerner, also is listening to this.

We feel very strongly, with the mining industry, that every consideration should be given to a separate mining ministry. As members look through what they have I think they would have to admit to themselves some other ministries could be done away with. I would be surprised if they would admit this publicly—the member for York East (Mr. Elgie) would not do that, I am sure, but he might quietly admit it to himself. I think they would privately admit that one or two of the ministries under the present structure could go and that there is considerable merit in zeroing in particularly on the mining industry.

Our party has a long list of recommendations to make regarding the north, regarding the forestry industry, regarding the mining industry, etc. I use only that one as an example.

I indicated at the outset that our party was supporting this, that we were very proud of our

leader, who earlier in the summer indicated it was high time the government of Ontario moved. We are glad to see it finally has done so, but we are going to keep reminding the government that this of itself is not enough.

To go back to my own community of London, Ontario, there we are very cognizant of the need for co-operation. We are also very concerned, however, that the economy get rolling again, and whatever we can do to support this from my own community we will do. On the other hand, there is a need to be aware of the effect of this on people in our community who are directly or indirectly in the public sector, and so I hope the opportunity is there for those concerns to be expressed.

Thank you very much, Mr. Speaker.

Mr. R. F. Johnston: Mr. Speaker, I rise to speak on Bill 179 in a mood of, I hope, fairly controlled hostility. A member of the press gallery said to me, on Friday I think it was, that he had not seen me so intense or so serious since he began covering the gallery, and he wondered if it had to do with my diet of late. I said, "You are what you eat." But I am not sure that is what it is. It is more that this is a time when the juxtaposition of conflicting values in this Legislature and in this province is so extreme it is hard to maintain one's sense of humour about it.

The member for London North (Mr. Van Horne) said this is a time when we should put aside partisan feelings. I feel just the opposite. This debate is a time when full partisan feelings should come forward. It is an ideological debate that is on here today; it is the kind of debate that shows the differences among the parties in this House. This is when we get down to basics: when the tough times come, whom do you pick on? And this is a time to be angry, not a time to be witty, because a fraud is being perpetrated on the people of this province. Legislation is being brought forward that is the most insulting kind of attack on average people in this province that I can imagine.

I want to talk a bit about the reasons the Treasurer (Mr. F. S. Miller) brought this bill forward, according to his statement on September 23, and to talk a bit about this colossal and insulting fraud. The Treasurer's prime reason, as I read back through his statement of that day, is that he had to bring in this legislation in order to preserve the credit rating. I have read it several times now and it seems to me that is his major statement. Somehow, to preserve our credit rating is his bottom line. That is his priority in terms of his position as Treasurer of

the province. He should be some sort of ultra-colonial Conservative who feels it necessary to say that his priority is kissing the boots of some New York banker—

5 p.m.

Mr. Laughren: Boots?

Mr. R. F. Johnston: Boots—or responding to God knows what pressures from the International Monetary Fund. Yet there is a stark inconsistency in the way he presented his case.

The day the IMF was here I think points up this incredible juxtaposition of values we now have in Ontario. The IMF was feted here in a fashion that was so symbolic we put a fence around the Legislature to keep the people out and to invite wealthy, influential people from around the world to eat hors-d'oeuvres on the grounds of this Legislature, and spent \$180,000 doing it. The symbolism of those people being invited in and of the fence around this place was really striking to me. That was the same day they flew down the X-ray clinic technicians to let them know their services would no longer be needed in Ontario.

The juxtaposition of who has power and who has rights in this province was demonstrated in tiny little ways. An example was that one could walk into a liquor store in downtown Toronto during the IMF convention and pay the normal amount for whatever liquor one was deciding to buy in this province. At the next cashier, someone with an IMF badge on, some poverty-stricken banker from Wall Street or western Europe, or even a third-world country—

Hon. F. S. Miller: Red China.

Mr. R. F. Johnston: Red China, or someone who is not impoverished by any means—could line up and get his booze for 50 per cent less, which was an absolutely ludicrous perk, but a wonderful symbol of our values.

Mr. Kerrio: Do they have bankers in Red China? I guess they do.

Mr. Foulds: Does the water flow over Niagara Falls?

Mr. Kerrio: I guess that is true. The reds have banks; just a learning process.

Mr. R. F. Johnston: At that time, for myself it was also extremely excruciating in terms of juxtaposition. That was the night I had gone to move in with a fellow in his boardinghouse. He was paying \$55 a week for a room that was large enough and had a fridge, but he did not have any money to buy food to put in the fridge because

the \$55 a week took almost 90 per cent of his budget.

People in Ontario and in this city are living in those conditions at the same time we decide to fete the International Monetary Fund. By the way, the fund says that this country is spending too much on social services and not enough on military armaments; that we are spending far too much on the poor and we really must cut back our services to the poor and spend more on making Canada part of the military complex and a wing of the United States.

Mr. Kerrio: You were going to spend more on the people who fought in Spain with the Communists. Your party supported it.

Mr. McClellan: Why don't you shut up?

Mr. Kerrio: That is the truth, isn't it?

Mr. R. F. Johnston: I would like to thank the member for Niagara Falls for his interjections. They are very helpful.

The Deputy Speaker: Member for Niagara Falls, a little bit of restraint, please.

Mr. Foulds: On a point of order, Mr. Speaker: I believe the member for Niagara Falls just made a statement that is contrary to the standing orders of the House vis-à-vis not telling the truth. I believe that is contrary to the standing orders of the House and the member should withdraw that statement.

The Deputy Speaker: No doubt. Under subsection 19(d) of the standing orders, one member should not refer to another member in terms of not telling the truth. As Deputy Speaker, unfortunately I did hear that comment. I think it is incumbent upon the member for Niagara Falls to withdraw the statement.

Mr. Kerrio: I do not understand what the untruth was. I said that party supported the people who fought in Spain on the side of the Communist Party. They wanted to recognize them and have the Canadian government pay those people pensions. That is what I said.

The Deputy Speaker: All you said was—

Mr. Kerrio: That is exactly what I said. Let me hear them deny it.

The Deputy Speaker: Order.

Mr. Cassidy: You were for the Fascists. Is that right?

The Deputy Speaker: You said he was not telling the truth.

Mr. Kerrio: I am willing to say, Mr. Speaker, if I made an inference that is not in keeping with the decorum of the House, I will withdraw it, but

I am not withdrawing the statement I made. That party supported Communist fighters in Spain and wanted the Canadian government to pay them pensions the same as our veterans. I am not taking that back.

Mr. Breagh: I don't know what you're smoking but it's illegal.

The Deputy Speaker: He has made a point about the position of the member for Scarborough West's party; but he did withdraw the statement in terms of reference to yourself.

Mr. Kerrio: I did not make a personal reference to anyone.

The Deputy Speaker: It appeared to me that you did, but if you have withdrawn it, fine.

Mr. McClellan: I'm not sure how the red smear helps the debate.

Mr. R. F. Johnston: Mr. Speaker, I am not sure what your ruling has been on all this and I do not really mind. To talk about something that happened 40-some years ago is about as current as the member for Niagara Falls gets.

Mr. Kerrio: You'll never escape that truth, fellows.

Mr. Samis: Pretty desperate.

Mr. R. F. Johnston: I am not sure what relevance supporting people who fought Fascism in Spain has to my discussion, but I would prefer interjections that had some relevance at least.

I was saying that the International Monetary Fund has been saying we have not been spending enough on military affairs. I am wondering if the pressure on the minister to change his perspective on the economic direction of this province, for which we then received this bill, was brought about because they said, "We know you are not going to develop your own private army, Frank. In lieu of doing that, would you perhaps at least punish the public servants in your society a little bit better, cut back on spending a bit more and have wage controls?"

I do not know what happened because, as the Treasurer said in his statement, they all admitted this is one of the places in the world where government spending seems to be well managed. That seems to have been the view of the IMF up until September. Now, all of a sudden on October 1, we are in need of these draconian measures to get ourselves under control, so our credit rating will not slip.

I do not know what happened between the time the Treasurer was predicting we were just going through a cyclical downturn in this prov-

ince and that we were going to have a real growth of four per cent by the end of the year and now, when all of a sudden he comes in with wage controls, something which he was speaking against quite actively as a member of the government during the spring.

What went wrong? Why do they do it now, especially when the government knows it will not work? The way he covers himself for it not working is, in his opening statement, really wonderful. He says, "We have no guarantee this will work." Of course it will not work. My God, the Treasurer is affecting—what is it, 0.05 per cent or something of the gross national product, or 0.5 of the gross provincial product in Ontario? Of course it is not going to work. It is no wonder he wanted to cover himself in his opening statement.

The reason he brought in controls is clearly the polls. He knows it has no economic relevance at all to what is going on in the province. The Treasurer and the feds asked whether or not people would accept wage controls. People are scared. They do not think governments know what they are doing, so they say, "Yes, we will take wage and price controls if that will work." Did the Treasurer ask them what was more important to them: jobs, cutting their mortgages, high interest rates or wage controls? Did they ask where they put their priorities? Did he ask them that question? Did he ask them how they would rank those various economic factors? I think the Treasurer has leapt in too quickly on this. I do not think people believe that wage controls are going to be the answer.

Hon. Mr. McCaffrey: It was a real rush, wasn't it?

Mr. R. F. Johnston: No doubt the minister will want to speak about the indecision in cabinet, and about actually coming to this point of view.

5:10 p.m.

Hon. Mr. McCaffrey: There never was any.

Mr. R. F. Johnston: It was never discussed in cabinet?

Hon. Mr. Drea: There never was any indecision.

Mr. Laughren: What are you smoking?

Mr. R. F. Johnston: I hope that Hansard will record that there never was any indecision in cabinet.

Mr. Cooke: Maybe you could not read it when you were at the racetrack all summer.

Hon. Mr. Drea: On a point of privilege, Mr. Speaker: I do not have to apologize for being part of the only significant growth industry in

the province at the moment. It was done in co-operation with this government. If the member wants to make derogatory remarks about industries that are hiring people, he can be my guest.

The Acting Speaker (Mr. Cousens): The member for Scarborough West has the floor. These interjections back and forth do not contribute to the overall debate.

Mr. R. F. Johnston: Not at all, Mr. Speaker.

Mr. Cooke: I would suggest that point of privilege was pretty stupid.

Mr. R. F. Johnston: It's true, Mr. Speaker, but what we are talking about is the economy. I feel it is very important the minister should get on record that the only growth industry in the province is betting and the horse industry in general. I suppose the other one would be cabinet indecision, but that is another matter.

When he polled those individuals, did the Treasurer ask them whether they wanted to be controlled, whether they thought they were overspending and whether that would be a useful thing? Or did he just say, "If we say we are going to do anything, it does not matter what we are going to do, we will look like leaders and that will be a good thing"? Was that one of the questions he put on it? Surely he must have asked them that because there is no rationale behind this action.

If a poll showed the government should all run over the Scarborough Bluffs like a group of lemmings, would they all follow that poll? I would be very willing to commission a poll that could get an answer to that question in the affirmative.

What is the rationale behind this? It comes in the second part of the Treasurer's statement and it has to do with playing on people's guilt. One of the few unfortunate vestiges of our Christian upbringing is our susceptibility to guilt and feeling personally responsible for things. As a second reason or rationale for bringing this in, the government has said that average people are taking too much out of the system, that their aspirations are far too high, and in true colonial fashion, it quotes a good American to tell us that is the case.

I refer to the Treasurer's statement. He is only taking that approach to cover up his own mistakes. It is this government and the federal government that have put us where we are. They have mismanaged the economy, not those average people.

The notion it is the fault of the people, that

they are the cause of inflation, is a big lie and a very convenient one. It plays on people's fears because poor people are scared. It makes them think perhaps their neighbour is greedy, is taking too much out of the system and needs to be controlled. I would ask the minister to ask the average person whether he thinks he is taking too much.

Even if that is a well-meaning notion, and even if the Treasurer is not doing it in a perverse way to try to sell this thing, it is dated. People's expectations are no longer too high. They may have been four or five years ago but, by God, today people do not have high expectations of what they can get out of this society.

Let us talk about some high expectations for a second. Who in our society today is deciding whether or not to go to Montego Bay or Mexico this winter or to spend a month in Europe next summer? Who is thinking about building a sauna in his basement? Who in Ontario is thinking of buying into a time-sharing condo at this point or of buying a sail-boat for the cottage? Is this the year to put in the pool? Can we send both Jennifer and Alice to Havergal?

I will tell the Treasurer who it is not. It is not the working people of this province and the public servants, whom the government has decided to punish this time. Those are not their expectations; they are not the ones who have extravagant dreams about what they can get out of this province any more. This is the province of missed opportunity, not the province of opportunity, and they know it.

Maybe those kinds of discussions take place in cabinet. Maybe they take place at the Ontario Medical Association board meetings. Maybe Mr. Biddell is thinking about it now that he is going to get this part-time job at \$70,000. Maybe Morley Rosenberg is looking at those kinds of choices. Or maybe our friend the computer—

Mr. Boudria: Which party did he belong to before?

Mr. R. F. Johnston: Thank you for your very helpful interjection.

Or maybe the computer specialist who was brought in for \$50,000 is thinking about those kinds of things today, and maybe even the senior civil servants, whom you decided to strap with six per cent already. Or maybe even some honourable members, people like me, who have a good income and who have a wife who is earning a very good income as well, can think about some of those things and are very privileged and can be called social dilettantes by the

Minister of Community and Social Services (Mr. Drea).

Hon. Mr. Drea: You just confirmed it.

Mr. R. F. Johnston: I can be called that, and there is some justification. I am not denying—

Hon. Mr. Drea: Thank you.

Mr. R. F. Johnston: Well, Frank, we will come to why I have done what I have done in the next little while.

Hon. Mr. Drea: Oh, you did it for publicity.

Mr. R. F. Johnston: That's exactly true.

Mr. Kerrio: I recall an NDPer who had a yacht. What was his name?

The Acting Speaker: Order, please. The member for Scarborough West speaking to Bill 179.

Mr. R. F. Johnston: Mr. Speaker, I would rather deal with those points, the rationality of this particular minister and his incoherence, later on.

Mr. Laughren: You do not understand honesty, do you, Frank?

Mr. R. F. Johnston: I am being honest, Frank. I am talking about the very fact that—

The Acting Speaker: We ask you to refer to other honourable members by their positions or by their ridings.

Mr. R. F. Johnston: I have not found his approach to me to be very honourable in the last number of days. It is a very personal kind of attack, Mr. Speaker, which I think has been quite unwarranted. I am very happy that today he answered my question; I was very pleased that he did.

The Acting Speaker: Could I ask the honourable member to make his remarks pertinent to Bill 179, which is on the floor.

Mr. R. F. Johnston: Mr. Speaker, it is not the working people who have those kinds of aspirations, who have those kinds of discussions; it is not those people whom the government has decided to punish with this bill, nor those it would love to include if the federal government decided to expand its program so it could get everybody in, as the Liberals want; and it is certainly not the poor of this province, who are already suffering from the callousness of this government.

Let me tell members about some of the aspirations of civil servants at the moment. Let me deal with my own ministry, if I might.

Hon. Mr. Drea: Your own?

Mr. R. F. Johnston: The ministry I am critic for.

Mr. Foulds: It is as much his ministry as it is yours, Frank. He happens to know it; you don't.

Mr. R. F. Johnston: But a ministry that is under nobody's control at the moment, I might say.

Mr. Laughren: You are not kidding. It sure isn't yours, Frank. Do polls in your ministry, why don't you?

The Acting Speaker: Order.

Mr. R. F. Johnston: These are some of the groups that are affected by this bill. The Ministry of Community and Social Services is severely hit, and the programs it either administers or gives money to are severely hit by this piece of legislation.

There is a whole list at the back of the bill of the kinds of workers who are going to be brought under these controls: workers, including counselling services; home support services for the elderly; hostels around this province; the general welfare and Family Benefits Act workers; support services for the physically handicapped; people who are working in vocational rehabilitation; people who are working with the emotionally handicapped; services purchased under the Homemakers and Nurses Services Act; approved children's institutions; services to children purchased by the Ministry of Community and Social Services under the Children's Mental Health Services Act; homes for the retarded; day nurseries; private home day care; training schools; credit counselling services; children's aid societies.

These are the groups that are all coming under the control of this bill. I want to tell members a little bit about some of the people who are therefore affected, what their incomes are and what their aspirations are in comparison with this high expectation the Treasurer has mentioned.

Toronto family counselling services will be covered by this bill. A social worker who is not an MSW earns between \$18,687 and \$24,000 a year and is not a particularly wealthy person in this society. Even a social worker with an MSW begins at \$22,500. Those people are not thinking about ways they can rip off the system and get more than they deserve. They may be considering whether this year they can afford the orthodontic work their child needs, but that is not a high expectation. That is not taking too much out of the system.

5:20 p.m.

A file clerk at the Brant county welfare office earns \$8,715 to start. This is the person who is pushing up inflation, who is taking too much out of our society, who is making our civil service too heavy and burdensome, a person who is working with a case load at the moment that is enough to burn out most of us in this room in very quick order, because of the failures of economic management.

A data entry clerk earns the huge sum of \$13,000 at the Brant county welfare office; field workers earn \$16,000. Those are not the people who are deciding whether to join a golf club with a \$1,000 membership this year. They are not the people who have those glorious aspirations I was talking about before. They are normal, average people who are trying to get by on wages it is pretty damned difficult to get by on these days. But they are the people the government and our Liberal friends have decided they should attack.

Look at the visiting homemakers of the Visiting Homemakers Association in Metropolitan Toronto; they earn \$15,551 a year. Those people are not the ones who are driving our deficits way up. They are not the people who caused unemployment.

Take the visiting homemakers from Prescott-Russell; they earn \$6,597 a year—less than \$7,000 a year for full-time work. The government has decided it is going to slap controls on them. What rubbish. Slapping controls on them is not going to stop inflation. That is just so much garbage. Yet the government thinks it can perpetrate this fraud on the people of Ontario. Those people need a huge boost in salary; they do not need to be controlled. I expect the member for Prescott-Russell (Mr. Boudria) to get up and say so.

Let us have a look at the children's aid societies people, who look after children who are in danger of their lives. In some cases, as we have seen, their parents have been taken before criminal courts in this province; they have been exonerated, but have been taken before the courts. The professionals there earn \$19,000 a year to start, and the clerks \$9,000 to \$10,000. Are those people overpaid? Are they taking too much out of society, those people who have that huge responsibility for children who are in jeopardy in this society? Why are we slapping controls on them? It is outrageous.

Look at our homes for the aged, the places where we shove our elderly people in this society. We have done too much of that in the past number of years. Employees there are

overworked in trying to make those people feel as if they are in homes. Registered nursing assistants in Metropolitan Toronto homes for the aged earn \$17,513.

These are not the people our deputy leader was mentioning in his opening statement, the people who are earning \$500,000 and \$600,000 a year as heads of corporations; the government is not putting any controls on them. These are not doctors or specialists who may be earning \$150,000. These are people earning \$17,000, and they are the ones we are going to control. They are the ones to whom we feel it is necessary to say, "You take the cutback."

What are their expectations? Let us look at the housekeeping aides who are earning \$13,000, or the nursing aides who are earning \$14,900. Maybe they are Greeks and maybe they live in Scarborough. They are debating whether they can send their kids to a heritage language class this year, because in Scarborough it will cost them about \$300 to send two kids. That is the kind of decision they are trying to make without the government cutting them down to five per cent.

South Riverdale Community Health Centre has some really well-paid people working in it. A receptionist is paid between \$16,935 and \$18,700. Doctors in that case are working for between \$37,000 and \$44,000. I will not deal with the arguments about whether or not doctors should be on salary. Cleaners are earning \$11,000. Those people are trying to decide whether they can afford to send their kids to university or whether they are going to have to ask their kids to take a year off and earn some money—if they can find jobs, given the huge rate of youth unemployment. That is the huge demand they are making of society at the moment. This government decides it wants to attack them.

Workers in institutions for the mentally retarded are a dedicated and courageous group of people who have far more in the way of patience than I certainly have. Counsellors in those institutions earn between \$17,800 and \$18,900, if one is a counsellor 2, as are the bulk of them, around 2,423 people. Those are the people the government has decided to attack.

Members of the government party wonder why I want to be partisan. They wonder why I want to take this on. I wonder why the Liberal Party wants to go along with it, other than that the polls show it is the popular thing to do. It is not going to do a damned thing for the economy, and it is going to hurt these people. These people perhaps are trying to decide whether

they can afford hockey equipment for their kids this year. That is the huge thing they want to take out of society. That is their overexpectation in Ontario.

Just like the ones I was showing for home-makers, the discrepancies between the rates earned by day care workers are enormous between one area of the province and another and depending on whether they are unionized or nonunionized. A unionized day care worker in the region of Waterloo earns between \$14,900 and \$17,000. In the same town, in a non-unionized shop, such as the Emmanuel Day and Nursery School, day care workers start at \$9,880. They all will be subject to these controls.

They are all being blamed for what is happening to the economy. They are all being made scapegoats. They are all being used as examples of how this government is going to get us out of the problems it put us into.

There are a huge number of places in private-home day care that pay people the minimum wage or slightly more than the minimum wage. All those people, if they receive money from Ontario, will be subject to this bill. The government expects us not to be angry.

Those kinds of people are wondering how they are going to buy a gas barbecue. Is that too much to ask? They may be wondering whether they are going to have anything in the way of savings this year to magically save our province—as the Treasurer said—by taking their money out of their savings accounts and throwing it into the economy.

The government is not going to help that consumer interest. It is not going to help them spend their money by cutting them back to five per cent. It is ludicrous. These are the people who have served them. These are the people who in many ways keep them where they are, who provide good services in Ontario. They are punishing them assymbols but in a totally fraudulent way.

5:30 p.m.

What those people want and expect is job security, something which the minister attacks. He says they should not have the expectation of job security and of somewhat matching inflation. My God, that should be an aspiration of all workers, no matter where they are. What is so outrageous about that as an expectation? Why does he insult them by saying their expectations are too high, that the only way to get anything reasonable out of these people is to break the contracts with them after they have served well?

That just blows my mind. The sick thing is

that the reason he is doing it is that he knows they are not popular with the rest of society. They are seen to be privileged even though they are not privileged. He is willing to play on that negative sentiment against the people who are keeping him in power. It is nice work, but people will remember that kind of treachery.

Let me deal a bit with workers in the private sector and their enormous expectations. What people in the private sector want at the moment is to keep their jobs and to maintain what they have. They do not want to lose too badly to inflation. They want at least to keep their homes and to meet the rent increases that are being passed through the rent review process at inordinate rates and huge increases.

He is trying to make them feel guilty for that. He is trying to make them feel that they should not want that and that if the federal government would just come along and agree to clamp down controls on everybody, then by golly they could be part of this wonderful package too.

He wants them to spend their savings. I will tell members what people who are employed at the moment want to do with their savings. They do not want to spend them. They want to save in case their plant closes. They want to save in case they go out on the streets, as did the people in my riding at SKF after 26 years of working because this government would not protect them. They have to protect themselves, because the government will not look after them. They are not the ones whose savings can be used to gain from the interest rates out there at the moment; it is the wealthy who have that capacity.

He wonders why they are not buying cars. It is crazy to think somebody in the labour force at the moment will decide to buy a car at \$8,000 or \$15,000 when he does not know whether he is going to be laid off next week and go on unemployment or maybe on welfare because the government has no job creation solutions. Of course they are saving.

Let me talk a bit about the unemployed, who have suffered already under the government's mismanagement in this province. The numbers are astronomical. Who ever would have thought, even a year ago, that we would be up at 689,000 unemployed? Who ever would have thought that could happen in Ontario, especially when we had a Treasurer who was telling us he was going to create 120,000 new jobs and we were going to have a four per cent increase in our gross provincial product?

Mr. Laughren: Deliberate incompetence.

Mr. R. F. Johnston: Maybe it was deliberate incompetence, but it certainly was incompetence.

If one travels to Sault Ste. Marie today, one finds huge unemployment. If one travels to Sudbury, there is unthinkable unemployment and huge fears among the average working people. In Brantford, Chatham, Thunder Bay, Peterborough—it does not matter where one goes in this province at the moment, unemployment is the issue.

What are the exorbitant expectations of the unemployed at the moment? I can tell what they are for the people at the SKF plant who are in their early 50s now, only 40 per cent of whom have actually found jobs since they were laid off, some of them a year ago. Most of them have had two or three jobs since then but have not been able to get long-term, permanent jobs.

Those people are afraid of the humiliation of welfare, which they see coming up very shortly. They have no skills other than those they developed in the plant. They have already gone through degradation at the unemployment insurance commission and suffered huge delays. They have had manpower officials, who are frustrated by the huge numbers of people coming in, telling them there is really no point; there is nothing for them with their particular factory skills and they might as well go home.

They are selling their homes in Scarborough, which they have paid into for almost 30 years. They are putting them up for sale now as their only hedge and at a time when they cannot get the money out of them that they need even just to meet their mortgage payments, as it were. This is the worst time to sell in Toronto. Those people are faced with that decision at this point.

They are suffering from stress; family break-ups are increasing; health problems are increasing. There will be a report out shortly dealing with this. There are people who have stopped their Ontario health insurance plan payments so as to get by.

Those people have a huge expectation of the government: they want work. They do not want the government attacking their fellow workers. They want the government to get them some work. They do not want the government to slap arbitrary controls on a group of people who, as I have shown, do not deserve it, as a fraudulent way out of this thing. They want the government to come up with some job answers.

I will talk later about those who are already on welfare, people who have never been on welfare before in their lives, who feel less than human and who are waiting for the government

to work out its bungling and provide them with some answers. Their huge expectation in our society today is to feel like a full human being again, not to feel as if they have to line up to get fed at the Scott Mission. What the government is doing to the civil servants does not do a damned thing for those people.

The other thing that is so shameful about what this Treasurer has said about his reasons for doing this whole thing is that not only is he making people feel guilty and that perhaps controls are useful things, even though they have no effect at all, but he is also playing one worker against another. He is pitting one group against another, dividing people who are not responsible for what is taking place against each other, to get attention off the government. It has to be one of the most despicable acts I have seen in this Legislature.

The Treasurer gets up and yells across to me to ask any unemployed person in Windsor whether these people should take a cutback and they will answer yes. What the hell does he expect if he is going to play on people's fears and put out basic falsehoods about their capacity and their overexpectation when people are suffering? When the Treasurer says, "This guy is not suffering; he is a fat cat," of course they are going to get angry. By God, what a sinister thing to do.

If the Treasurer asked any of those unemployed people in Windsor, Sudbury, Sault Ste. Marie or Thunder Bay whether the cabinet ministers and the leaders of the opposition parties could do without their limos for a year, what does he think they would say? They would say, "You are damned right they can do without them." Of course they would. What does he expect? It is exactly the same kind of thing.

But he has not done that. He has not suggested that kind of scapegoat to throw at them. The bone he has thrown at them to tear at and feel hostile against is their fellow workers. Ask an unemployed person whether he thinks doctors should be exempt. I wonder what response he would have. Even those who believe doctors are the medicine men of our society and deserve absolute homage, even those would surely say that he should not be allowed to extra bill at the same damned time.

5:40 p.m.

What kind of straw man does the minister want to set up for them to attack? He does not choose us. He does not choose himself. He chooses the people who support him, who keep him in business, the people who do his work out

there in the community. That is whom he has chosen. That is very nice, it is very honourable; but it is totally dishonest.

What he is essentially doing is making sure that more working people share in the devastation he has brought upon this province. That is a very honourable act by a government. Not only should the unemployed suffer, not only should the people on welfare suffer, but those who are working are made to suffer too. That is a very progressive Conservative policy.

There are many other offensive things about this bill. There is the fact that it destroys collective bargaining, taking away the only real right the average person has, especially in the public service, to argue for his rights. The money saved, the government knows, will not do anything for society. The government is willing to abrogate a basic right to try to make an example of people who do not deserve such treatment—to have other workers turned against them.

Surely this is one of the most despicable political acts of our time. The member for London North says I should not be partisan about this. My God, the government is attacking all the wrong people. I guess it does not have the propensity for self-demolition although it may be doing it without knowing it at this stage.

Within this act is the myth of maintaining collective bargaining for nonmonetary factors, which is so much balderdash. What are people actually to bargain for when there is no ability to strike, no right to take anything to the ultimate degree, and when their pocketbooks are being squeezed by government? That is absolutely and fundamentally ludicrous.

The government has taken away a right the working people in this province have worked for for decades. They have fought for it against corrupt management. They have fought for it against the Irwin Toys of this world. The government has taken it away with a swish of the pen on a totally fraudulent premise, and the government wonders why we are angry, why there is no sense of humour left.

There are huge inequities in this bill, gaping inequities. Middle-income and lower-income people suffer most primarily because they are mostly lower- and middle-income people. The government has already raised the sales tax on them this year. It has already decided to continue to raise OHIP premiums this year. Now it is essentially hitting them with what I understand is about a 40 per cent increase in tax

basically by taking away their income. My God, surely that is totally outrageous.

The other thing I personally find so obnoxious about this bill is the percentage business. Percentage increases have no bearing on equity, have no bearing on justice. For doctors, even MPPs, to receive a percentage increase of six or five per cent is a very different matter than it is for other people. It still leaves all sorts of options open to us for deciding what we will do with our extra money; it really does.

But five per cent for somebody who is earning \$20,000, like a lot of the people I have been talking about, is much, much less and leaves them no room at all. What does it do for the person whose mortgage has just gone up \$300? Why does the government want to inflict this on them? Why do they feel these people at the lower end should be punished this way? They know that the maximum these people at the low income levels will get is about 6.75 per cent—something like that.

Mr. Wrye: Six and two thirds.

Mr. R. F. Johnston: Six and two thirds? Let me stretch it to 6.75. It is huge, generous. That kind of percentage increase for those people is meaningless if at the same time they have had a rent review increase of 40 per cent or 52 per cent, as there have been in a couple of buildings in my riding. Or even better, if some landlord has come in to do minor renovations, he has thrown them out of the building and then offered them their apartments back at an increase of 150 per cent.

This will do absolutely nothing to close the gap between rich and poor. This kind of wage control will increase the gap between rich and poor. It is thoroughly retrograde legislation. I do not understand why in any real terms the government could choose this other than for the reasons I have put forward, and I certainly do not understand why the Liberal Party has decided to support it. If they really thought this was restraint, if they really believed that, then maybe I would say, "Okay, then there is some rationale behind it." But they cannot possibly believe that, and they cannot possibly believe these are the people who deserve to be held back. It just does not make any sense to me.

The day the deputy leader of my party, the member for Thunder Bay—

Mr. Foulds: Port Arthur.

Mr. R. F. Johnston: Thank you, Port Arthur; but I think all of Thunder Bay would be much more appropriate—all of northwestern Ontario

except for Nipigon and that other area he shares with the honourable member from there.

Interjection.

Mr. R. F. Johnston: And maybe even Nickel Belt.

Mr. Laughren: Oh, that hurts.

Mr. R. F. Johnston: I know.

Mr. Foulds: Let's not get carried away.

Mr. R. F. Johnston: That's right. He listed a whole set of things that are just totally unfair about this anti-inflation board, the Inflation Restraint Board as it is now called. He raised a series of questions, all of which seem to be totally unjust, indicating great injustice in the board, and asked the Treasurer if it was so. And he replied, "Yes, it is."

He asked, "Is it true that the Inflation Restraint Board does not have to hold a hearing on any matter referred to it and that it does not have to give any reasons, written or otherwise, for any final order, decision or determination made by it?" The answer was, "That is absolutely correct." That is a basic democratic principle not being upheld.

He asked the Treasurer, "Is it true that the board can arbitrarily determine the increase for collective agreements that expired before October 1, 1981, for a 12-month period?" "Yes," replied the Treasurer.

He asked, "Can the board, when either party applies to it, determine the increase for a transitional period by any amount between zero and nine per cent and therefore, potentially, for zero per cent?" And he said, "Oh, yes, quite definitely." It could do that, and it would not have to say why; it would not even have to allow someone there to make a presentation on it.

The Anti-Inflation Board, total flop and failure that it was, at least allowed a person to come before it and talk a little about the labour history that had preceded the imposition of the bill so that the history of the agreements made could be taken into account and one could argue his case. Sure it had a lot of power, but it allowed one to feel he was at least participating in the system.

5:50 p.m.

Perhaps one of the most obnoxious things—there are so many in this bill—is what this thing can do to non-unionized workers, or one in five of these workers. There are about 100,000 of these people who are non-unionized and who are therefore at the very low end of the income scale. Those people can essentially have an

increase between zero and five per cent at the whim of the board and, as I understand it, at the presentation of the employer. The employer can say, "We have private day care; we are a little strapped for funds this year because we have these extra costs for food for the kids, our rent has gone up. I really cannot afford a five per cent increase in the budget that I receive from the government because it has only gone up by a total of five. I would like to just ask for two per cent for my workers who are earning \$8,500 now."

The workers cannot go before the board. Nobody is necessarily able to go and represent them before the board, and the board can just make its decision saying, "That is just fine; two per cent will be good for these people." That is totally unjust. The deputy leader of my party said that is not rough justice; that is just roughness. It is just violence against people's rights.

Some groups could be controlled for as long as three years under this. I will not go into the way that takes place, but here we are on the one hand with the Treasurer saying he is introducing some legislation which will be reviewed in a year to see if it has done any good and yet he is locking some people into a three-year punishment by this. Workers who on the whole are not being able to settle a contract and are already behind, obviously, or they would not be fighting so hard to settle their contracts, are going to be held back for three years.

The fact is that this board can become a new Star Chamber and it can meet on its own in some sumptuous surroundings, I am sure somewhere, perhaps in the newly renovated offices of the Minister of Community and Social Services.

Mr. Wrye: Again?

Mr. R. F. Johnston: Yes, I am afraid so. They can just make discretionary decisions without the people directly involved having any say in them. The Treasurer can stand up and just answer the one word, "Yes," and that will be the way it will be and that will be fine and that will be just. It is not just and the powers of this board to determine any regulations it wants under section 25—it can decide anything it wants from this point on—are too much.

This is a democracy. We won democratically here. Surely we want extensions of that principle in the boards and commissions. What is there to be afraid of that they will not let this be open? Why is it going to be left up to their appointee to make his decisions totally behind closed doors if he wishes? It is because the

whole thing is unjust, the whole thing does not make sense.

The more the public got to understand some of the fights that unorganized and organized people would bring forward in terms of asking for some basic justice, the more that would occur, the more it would destroy the sham, the more the facade would fall the more quickly. It is going to be our job to make sure the facade falls before this thing ever gets out of this place.

During committee, the Liberal Party will see that this thing is so badly flawed that they will decide to support us in opposing it. Perhaps we can even change the polls, because I do not believe—

Mr. Laughren: Then they would change.

Mr. R. F. Johnston: I think they would switch like lightning if we changed the polls. The people of this province are not stupid. They are responding through fear in those polls, not through knowledge of what effect or noneffect this could have economically. If they started to learn about the injustices of this and how the government would just love to extend this whole thing to all the other people in the province with all the injustices that are built into it, maybe then the polls will change. The quickness in the Liberal Party and the slowness in the Conservative Party to come to a decision to support controls will come back to haunt them.

I would like to turn to the price controls section of this bill.

Mr. Bradley: You mean there are price controls?

Mr. R. F. Johnston: I have almost finished. The difficulty is that there is no real control of prices.

Mr. Cooke: The Liberals are supporting it.

Mr. McClellan: The Liberals like it so much.

Mr. R. F. Johnston: No, I just heard from the member for St. Catharines (Mr. Bradley) that they must be opposing it, because he admitted these were not price controls. I know he would not want arbitrary wage controls on one sector of the working population and no price controls. I am sure he would not think that would be just.

Mr. Laughren: Do you want to bet?

An hon. member: This is just a start.

Mr. R. F. Johnston: It is a start and if it does not come through, we will have to keep pressing for the rest of it I suppose.

Interjections.

Mr. R. F. Johnston: In his statement, the Premier admitted that prices went up 12.5 per cent last year. He might also admit, if pushed to it, that almost all the agreements covered under this legislation came in at around that rate, not the consumer price index plus three per cent as the Treasurer said in his statement, not a huge overexpectation but rather something that was meeting the actual costs of the day. The workers were not pushing up the prices; they were, in fact, following the prices.

What are the major causes of price increase today? We are told by the Treasurer and the Minister of Consumer and Commercial Relations (Mr. Walker) that they include high energy costs. How do labour costs push up high energy costs? I do not believe that for a second. Nobody here does. We know that was totally arbitrary. Our whole plan was to become self-sufficient in oil in Canada, but that had nothing to do with labour costs.

The same goes for the cost of food. Is the government going to tell the farmers of this province it is their incomes that have escalated, the cost of their work that has caused the price of food to increase? Garbage. It is not the workers who are causing inflation to go up. The same goes for transportation. It is not labour that has caused those prices to go up. It is another factor. Yet the government decides it is going to come down with a hammer on labour while saying it cannot control any of those other costs and they have to get passed through, any of the things that are the real causes of inflation. How can the government expect us to have any patience with this thing at all?

Housing rates have gone up, that is true. The government is not going to stop that from happening. It says rent control is working wonderfully. It is not doing anything about mortgage rates.

Again, it has nothing to do with the amount of money somebody is making, except for the developers. It certainly has nothing to do with the average person whom the government has decided to put restraints on. It is not going to do anything about mortgages, rent review or energy costs. It says it cannot; its hands are tied. Yet it is going to penalize workers who are trying to catch up with costs that are hurting them, workers who want to stay in their homes or apartments. That is too high an aspiration to have in this province, but one everybody in this place has.

I was just passed a note about adjournment of

the debate. Would you like that done at this stage?

The Acting Speaker: That would be fine.

Mr. R. F. Johnston: I have several other

things to say, Mr. Speaker. I would like to adjourn the debate at this time.

On motion by Mr. R. F. Johnston, the debate was adjourned.

The House adjourned at 6 p.m.

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Ontario. *LEGISLATIVE ASSEMBLY*

No. 105

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, September 28, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, September 28, 1982

The House met at 2 p.m.

Prayers.

HANSARD

Mr. Speaker: Before getting along with the routine proceedings, I would like to inform the House about a ruling as a result of the matter which was raised earlier.

It has been pointed out to the House on many occasions that it is not part of the Speaker's responsibility to investigate matters of privilege and report back to this House. However, in the matter raised by the member for Huron-Middlesex (Mr. Riddell) on September 23, because the Hansard editor of debates is a senior employee of the Office of the Assembly, whose department falls under my jurisdiction, I feel it is incumbent upon me to advise the House of the circumstances which gave rise to the honourable member's point of privilege.

Mr. Brannan recently wrote an article on the production of Hansard for the Canadian Parliamentary Review. He was subsequently contacted by a representative of the press and he gave a brief telephone interview on his article. The reporter wrote an article which was carried in the Globe and Mail. The article was subsequently reproduced in the government publication referred to by the member.

I have reviewed the various articles, including the portion of the government publication purporting to quote Mr. Peter Brannan. Mr. Brannan has assured me unequivocally that he did not make the comments referred to by the honourable member in his point of privilege.

STATEMENT BY THE MINISTRY

JOB CREATION

Hon. Mr. Walker: Mr. Speaker, I want to bring members up to date on current developments involving three major companies which have significant influence on Ontario's economic recovery.

This morning I spoke with the senior executives of International Harvester and General Motors in connection with important announcements each has made during the past 24 hours.

As members are aware, a third firm, Massey-Ferguson, disclosed this morning it has completed a restructuring of its finances and operations as the first positive step towards the company's ultimate recovery and long-term growth.

Second, Mr. Speaker, as mentioned more fully in answer to a question raised by the member for Chatham-Kent (Mr. Watson) quite spontaneously yesterday, International Harvester has announced that it will maintain its Chatham operations. This is good news for Ontario and ensures the survival of 1,000 jobs. International Harvester's decision flows from a program of product rationalization being undertaken by the parent United States company. This program will increase the company's production mandate for North America and the export potential for Ontario.

This is also good news, and supports a major economic priority that I have set for our province, and that is to double our total exports to \$60 billion by 1987.

Third, with respect to the announcement by General Motors, I am sure all members of this House join me in commending the people responsible for their efforts in securing this important production contract. Particularly I would mention the company's London management team, closely related to a riding with which I am connected, as well as the federal government, specifically the Honourable Ed Lumley.

It will see the creation of light-armoured amphibious vehicles. It will be a rare development in this country and in North America.

There are three aspects of the General Motors announcement that I would like to elaborate on. The first concerns jobs. It has been reported that more than 600 jobs will be saved. There are some 400 persons now on layoff so the numbers work out well. In fact, the employment creation consequences of the General Motors decision will be much more substantial for Ontario. We project that the spinoff effect in the service sector will, over the life of the contract and assuming all options are exercised, mean an additional 1,200 jobs in southwestern Ontario and other parts of the province. Indeed, it may even approach a total of 2,000 jobs.

Second, the contract will make a significant technological contribution. General Motor's management told me this morning the London plant has received the second contract worth \$26 million for research and development to design variants of their original equipment. I am also advised that an engineering team will be formed during the next several weeks to begin this effort. In fact, by the end of the year it is anticipated that 200, mostly salaried people, will be brought on stream in the engineering aspect alone.

Finally, with respect to the capital plans, the General Motors plant in London will expand office facilities and introduce test equipment directly associated with the production and development contracts.

These three corporate developments—unfolding coincidentally back to back in a matter of hours—underscore rather dramatically that tough decisions are being taken, that productive commitments are at hand and that confidence in Ontario is not just a state of mind but a point of fact. We still, of course, have some distance to travel towards satisfactory economic recovery. But within the last 24 hours an encouraging beginning has been made on these three major fronts.

2:10 p.m.

ORAL QUESTIONS

WELFARE PAYMENTS

Mr. Conway: Mr. Speaker, my first question today will be to the Minister of Community and Social Services. The minister will be aware that today, for the second time in seven days, there has appeared in the public press a report that there has been prepared within his ministry what today's Globe and Mail calls a "strongly worded report" concerning the inadequate levels of welfare assistance provided in this province. A week ago Michele Landsberg in the Toronto Star went further than the Globe article today and named something called a confidential report to cabinet on selected income assistance initiatives.

Both these press reports identify a recently completed internal document which apparently assesses very critically the inadequate welfare assistance rates that are being afforded in this province at this time. Can the minister confirm or deny the existence of that report? If it does exist, can he comment upon the observations or conclusions, particularly as reported by direct

quote in recent press accounts, most notably in the Globe and Mail this morning?

Hon. Mr. Drea: First of all, Mr. Speaker, the honourable member is talking about two different things. We will talk about today's so-called document first. No such document was ever tabled to the minister or to cabinet. There was a document, which is not very strongly worded and that is why it never got to the minister, which some people in the research branch did some informal work on back in May and June.

Mr. T. P. Reid: That means they did not get paid for it.

Hon. Mr. Drea: No, no.

Mr. Speaker: Never mind the interjections.

Hon. Mr. Drea: I told the member it was a very wishy-washy document. Members have all read it, sure.

Mr. T. P. Reid: They must have written your answers too.

Hon. Mr. Drea: No, the person who compiled it is not with us any more. The person who compiled the stuff Ms. Landsberg had is not with us any more, because all the things that were in Ms. Landsberg's article were rejected by this minister.

Mr. Wrye: The people who prepared the material quit in disgust is what really happened.

Hon. Mr. Drea: No, I do not think that is an accurate description.

I believe the tenor of the honourable member's question, now that we got rid of the reports and so on, is are we taking an internal look at social assistance in the province? Yes, we are taking an internal look at social assistance in the province and have been for many months.

One of the reasons that document was so faulty is it did not, in any way, recognize the new economic facts. Unless there is a federal decision, probably commencing next month and accelerating rapidly thereafter, a great many of the 474,000 unemployed in Ontario will be running out of unemployment insurance benefits. Until now they have not been in any way, shape or form connected with social assistance, as the member will recall from my speech to the Association of Municipalities of Ontario.

Even if the federal government does extend the unemployment insurance benefits in particular areas—I am talking about very massively hit areas such as Sudbury and some of the other mining communities—the numbers coming off unemployment insurance benefits will indeed be significant. They have been coming off at the

rate of about two or three per cent a month, as reflected in the growth of the general welfare assistance case load.

As members will recall, last year we introduced significant improvements in social assistance dealing with long-term cases, particularly the permanently unemployable whom we raised up in two steps to the full disabled rate. For widows between 60 and 64, we took care of the entire complement in the province who were in need of assistance.

We had two rate increases in 1981 for family benefits recipients. In addition, we met many of the shelter costs of last winter for those on general welfare assistance. Indeed, we also assisted the municipalities because we removed the administration costs from part of that shelter program, a move that was very gratefully received by the municipalities.

I pointed out yesterday that I was looking at a number of things—at the rates, at the impact of the continuing recession on the case load the municipalities will have to bear, at the continued high inflation and how it affects long-term cases who have little or no defence against it.

I am also looking at particular assistance for the most vulnerable part of the community on an ongoing basis, which are the senior citizens.

In addition, as I said yesterday—I believe it was to the critic of the member's party—I am also looking at particular winter initiatives for the transients, for those who are migrating in hopes of obtaining employment. I am looking at various types of shelter programs. Indeed, we are looking at an entire package which will treat not merely social assistance but the impact of the continuing recession on social assistance.

Mr. Conway: So the report spoken of this morning, the so-called "strongly worded report" that went to cabinet, is not true. There was no such report and it never went to cabinet.

Hon. Mr. Drea: I will try again to clarify that. Mr. Speaker, there was no such report to cabinet. There was no such report to the minister—

Mr. Speaker: Order. The member has one supplementary, please.

Mr. Conway: I want to be very clear about this because we were treated a week ago to a fairly strongly-worded, colourful response from the minister to the member for Scarborough West (Mr. R. F. Johnston), when he drew to the House's attention the August study done by the Social Planning Council of Metropolitan Toronto, a body which the minister described as an

"affirmative action program for underachieving lefties." It was very colourful. Now we have two reports, both of which indicate there is a strong amount of corroborative evidence from within the ministry itself to indicate the minister is quite wrong—

Mr. Speaker: I am waiting patiently for the supplementary question.

Mr. Conway: —in suggesting that the report of the Social Planning Council of Metropolitan Toronto is bunk and, in fact, the problems are serious. Where is the minister—

Mr. Speaker: Order. I would have to caution the member that he has a supplementary. This is not a time for making a speech.

Ms. Copps: Tell the minister.

Mr. Speaker: Order. Read the standing orders; they read quite clearly. Supplementary, please.

Mr. Conway: Mr. Speaker, as an even-handed, judicious man you would, of course, not want us to get the impression that very elaborate and lengthy answers are going to be allowed the government when more expansive questions are not going to be allowed the opposition.

I want to know from the minister specifically when he intends to bring forward initiatives to deal with the critical situation identified in the press and in other reports for a winter that in many parts of this province is but days away? Can he indicate what specific initiatives he will be entertaining for the House's attention in the very next little while so these tens of thousands of people awaiting some assistance will get some indication? It may be that one of the people who authored this report is no longer with him but the tens of thousands of needy welfare recipients in the province are and will be in increasing numbers.

Hon. Mr. Drea: Mr. Speaker, I will come to that in a moment. Before that I want to clear up one little thing.

The report of the social planning council was based upon cooking the books. They have admitted that. They admitted that on the radio, so let us get rid of that as one of the member's corroborative things.

Mr. Speaker: Now to the question, please.

2:20 p.m.

Hon. Mr. Drea: It dealt purely with rate increases, by the way, nothing we are particularly talking about in substance today. The honourable member has asked me when I intend to do things and what I intend. I went through the things I am looking at the first time

and I think any reasonable person could read between the lines. Also the other day I said "before winter." This minister is abundantly aware when winter commences north of Toronto.

Mr. R. F. Johnston: Mr. Speaker, because both reports have been mentioned, I wonder if I can allude to both.

Mr. Speaker: I would rather hear a question.

Mr. R. F. Johnston: I will be alluding to them in the question. Is the minister saying this cabinet submission Michele Landsberg quoted from was never accepted by his ministry? That is one point of clarification.

Will the minister table the second, wishy-washy, strongly worded nonreport so we can see it? Will he not agree he has known since early in the summer that the number of people who are going to be exhautees from Unemployment Insurance Commission benefits was not going to be four per cent but closer to eight or 12 per cent? This is what John Stapleton in his ministry, who is probably now going to lose his job, has told me. Will the minister not agree he has been sitting on this information and showing a total insensitivity to the issue by knowing when winter falls in December north of Toronto?

Hon. Mr. Drea: Mr. Speaker, as usual the member is confused. I was very specific as to the reports I talked about. The member for Renfrew North raised the report that was in the newspaper this morning. It supposedly went to cabinet. It did not and it did not come to the minister.

He also referred to the social planning council report. The member's friend took care of that. There is no question that almost a year ago the report referred to a week ago in the Toronto Star did go to cabinet, but the remarks that were in it were repudiated, not accepted by the minister. It is not part of our current program.

Mr. McClellan: How did it get to cabinet, just slip by?

Mr. R. F. Johnston: Did you take it to cabinet?

Hon. Mr. Drea: It got to cabinet on the basis of putting forward pros and cons and a number of other things. The minister, in order to give a rather complete picture of a rather innovative approach to social assistance, one indeed that has been accepted by all the councils it has been put before—

Mr. R. F. Johnston: Oh, Frank.

Hon. Mr. Drea: Oh yes, I know he had trouble in Peterborough. Even his own friends had to vote for it despite some instructions. That

report went to cabinet more than a year ago. The parts referred to in the article are not in the present or future planning of the ministry. Now we have settled that, does that make that one abundantly clear?

In terms of a 12 per cent increase, I have looked—

Mr. McClellan: Can the Minister of Health (Mr. Grossman) tell me, is this contagious?

Hon. Mr. Drea: The member better hope that I am contagious.

Mr. Speaker: Never mind the interjections please.

Hon. Mr. Drea: For the sake of the member's party, he better hope I am contagious because he is going nowhere.

We have factored in the impact of people running out of unemployment insurance, or the new category in social assistance which is employable people who simply cannot find employment because there is none there.

As I pointed out in answer to the member for Renfrew North, that has been coming in at a rate of two to three per cent. There are some arguments that, depending on how the federal government reacts to the extension of UIC benefits and in what areas, the new impact can come from an additional one or two per cent a month, which is very significant, up to five per cent. If the federal government were to bail out completely, which I do not believe is possible, it might go as high as some of the figures that have been suggested to the honourable member.

One last thing: I was the one who brought this to the attention of AMO and other people in the public forums so the member should not accuse me of sitting on it. If he does not like the approach I take, that is fine, but nobody in this province discussed the impact of UIC benefits running out until I did.

Mr. Boudria: Mr. Speaker, I also wish to speak to the so-called nonreport of today, which the minister says he has not yet seen. He has undoubtedly seen the newspaper report, however, and the statement in the report as follows: "Participation is to be voluntary, but all recipients will be expected to participate."

As it relates to single mothers who are to be transferred to the municipality under the so-called nontransfer to the municipality program, is this the position of the minister or the ministry? If it is, does that not contradict the statements the minister made on the steps of the Legislature when he and I addressed the sole-support mothers earlier this summer?

Hon. Mr. Drea: The member is just a bit confused. I just said that document went to cabinet. Let us make no mistake about that and come back tomorrow to say I misled you. The document the member for Prescott-Russell refers to went to cabinet some time in 1981, I believe.

The minister did not accept some of the suggestions in that document and neither did cabinet. That is what I said two or three minutes ago to the member for Scarborough West. The proposals and the integration program we have are exactly as tabled by the region of Peel, the municipality of Peterborough, the county of Lanark, the county of Dufferin—all of which accepted it. Metropolitan Toronto accepted it in principle on an ancillary program. A number of others are just waiting for full information. It is exactly as I described it on the steps of the Legislature.

Mr. Conway: Your sunglasses may be on, Frank, but your pants are slipping.

URBAN TRANSPORTATION DEVELOPMENT CORP.

Mr. Conway: Mr. Speaker, my question is to the Minister of Transportation and Communications. I am sure that, like the rest of us, the minister reads nightly that hymn of self-praise written and read by the Premier (Mr. Davis) himself a week ago concerning the restraint program. I refer particularly to that part of it where the Premier says, with more than a hint of self-congratulation: "The record of this government on restraint is a sound one;" and, "The extent to which this government in recent months has tightened the screws upon itself to make this even more a reality."

Mindful of the Premier's injunction, I want to discuss—interrogatively, of course—the recent activities of the \$100,000-a-year man on Amherst Island in Lake Ontario near Kingston, more particularly near Bath. Mindful of what the Premier has said about restraint, what does the Minister of Transportation and Communications think about the fact that some eight or nine months ago Mr. Kirk Foley—sometime friend and sometime candidate for the Conservative nomination in Scarborough—apparently spent \$120,000 prepaying a 20-year lease on a private yacht club then being built near the village of Bath, not far from the great and historic city of Kingston?

What does the Minister of Transportation and Communications think about that initiative of Mr. Kirk Foley in that it involved expenditure of \$120,000? Second, when did he find out about

it? Are we to believe that four or five months after Mr. Foley made the commitment, he sat down and thought, "Maybe I should write or phone Jim in Toronto"?

2:30 p.m.

Hon. Mr. Snow: Mr. Speaker, first of all, the member said so many nice things the day I was in his riding I was not really expecting this from him but from the gentlemen behind him—and I am using that word very loosely.

First of all, I want to make it clear that the Urban Transportation Development Corp. did not invest in a yacht club. The arrangement that UTDC made with the private entrepreneurs, who also happen to own the sailing facilities—

Mr. Breithaupt: It's called a yacht club.

Mr. Cassidy: Which sailing facility does the minister belong to?

Hon. Mr. Snow: The decision to enter into this arrangement with the private enterprise interests that were developing this facility was made and approved by the board of directors of UTDC based on a very detailed report put forward to them. It was not a deal made by Mr. Foley or anyone else; it was made by the corporation and approved by the board of directors.

I was notified of the arrangement by way of a letter on May 20, 1982, which brought me up to date on what the pros and cons were and on the decision that was made to enter into this contract rather than to build a cafeteria and training facilities at the research site itself.

I wish to table a copy of the letter Mr. Foley wrote to me on May 20. Attached to it is a copy of the background documents that went into the decision to enter into this arrangement.

Mr. Conway: I appreciate the minister's tabling of that material. We have already had a chance to look at it.

I want to ask the minister a supplementary question in view of the Premier's injunction that now is a time of restraint and in view of the fact that for these past months this government, of which the minister is so prominently a member, has been working endlessly and well into the night to find ways and means of saving money.

Also, I might mention that about 20 miles east of the village of Bath there is one of the world's great sailing facilities, namely, the harbour built for the 1976 Olympics, on which \$120,000 of public moneys was expended.

I will not bore members with the fact that much of the accommodation is some kind of an exclusive pad. A third of the space, according to

the press report, is some kind of a jazzy pad for Foley and his buddies.

Does the minister not think that he and his friend the Premier, in the name of restraint and in the public interest, might undertake immediately to extricate themselves from this shameless expenditure? It sets such a wretched example to the thousands of welfare recipients who cannot extract an ounce of sympathy, much less money, from his colleague the Minister of Community and Social Services (Mr. Drea).

Hon. Mr. Snow: Obviously I am not getting through to the honourable gentleman. As I stated in my previous answer, the facilities that UTDC have contracted for are dining room services and accommodation. The arrangement has nothing to do with yachting, with boats or with the Centennial Yacht Club, which the member says may have been available and which I have visited as well. If the member has not taken advantage of visiting the Kingston facility, I would urge him to do so.

Mr. Roy: Can we sleep and eat in Kingston?

Hon. Mr. Davis: Have you ever been to see it, Sean?

Mr. Speaker: Order.

Hon. Mr. Snow: As members know, included in the three main contracts the corporation now has with Vancouver, Detroit and Scarborough is the training of operators and maintenance personnel for this system. As part of that, UTDC has to supply accommodation, meals and so on for these trainees when they come from British Columbia or Detroit.

Mr. Roy: They can't stay in Kingston?

Hon. Mr. Snow: The facility is about 20 to 25 miles outside Kingston and away from any accommodation.

Interjections.

Hon. Mr. Snow: If the members opposite think it would be wise for people to have to travel that distance for lunch each day, I do not think it would be. The alternative was to build cafeteria facilities at the centre, not only for the employees of the centre and for visitors but also for the trainees.

To my mind, the financial calculations prove without a doubt that the arrangement entered into was by far the most economic and frugal arrangement that could have been made.

Mr. Foulds: Mr. Speaker, can the minister tell us who makes the policy when it comes to expenditure of public funds with regard to the UTDC, the minister or Mr. Foley?

Hon. Mr. Snow: First of all, Mr. Speaker, I want to clarify one thing. In my terminology, I would not refer to the funds being spent in this case as public funds. The UTDC is a public company, owned by the province of Ontario, but the funds being provided to pay these expenses are part of contracts being paid for by the customers of UTDC.

Mr. Cunningham: Mr. Speaker, given the litany of other questionable financial activities in this operation, such as the fleet of 30 luxury cars and the purchase of \$1 million worth of homes in British Columbia which now probably are worth \$650,000, as well as this yacht club arrangement, does the minister not feel the imposition of some financial guidelines on Mr. Foley is long overdue to trim his sails a bit?

Hon. Mr. Snow: No, Mr. Speaker. I have the fullest of confidence in Mr. Foley, in Mr. Rowzee, the chairman of the board of directors, and in all the members of the board of UTDC. I am kept informed of the activities and accomplishments that this corporation has made, is making and will continue to make. I feel that Mr. Foley, his fellow employees and the board of directors of the UTDC should be congratulated by every member of this House for the work they have done, the sales they have made and the exports they have created for this country.

HYDRO RATES

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Energy. Given the government's decision to control public sector wages, I wonder whether the government has an equal commitment to the control of public sector prices.

In particular, since Ontario Hydro has the sole right to set its own rates and can ignore the recommendations of the Ontario Energy Board, which it did last year, and since regulated prices such as energy costs are one of the major causes of the current inflationary spiral, can the minister assure this House that any Hydro increase proposed for 1982 will be referred to the Inflation Restraint Board?

Hon. Mr. Welch: Mr. Speaker, the honourable member should understand that the 1982 rates are applicable now. I am sure he meant the 1983 rates.

The proposal by Ontario Hydro for its 1983 rates was referred to the minister some months ago. The minister, according to the legislation, referred it to the Ontario Energy Board. There

have been very extensive public hearings with respect to that proposal, and the board has reported. Indeed, if the member has had an opportunity to read its report, he will know that the board, acting in a very responsible way, had already drawn attention to the economic situation during the course of its decision. There is no question that this fact influenced it in ultimately coming forward with its recommendations following those extensive public hearings, and Hydro now has the advantage of those sessions. As a result of those hearings, the member will remember that the Ontario Energy Board suggested a reduction of about five per cent in the proposed average rate which Hydro itself had suggested it needed.

2:40 p.m.

The member should keep in mind that in my letter of referral to the Ontario Energy Board I was anxious that they develop the lowest possible rate consistent with a sound financial approach to the whole matter. Now we have that. We have the reference to the economic situation. We have a reduction of five per cent as a result of those hearings. Subsequently, on the basis of the legislation that has been introduced into this House, it will be expected that Hydro will apply wage restraint to the compensation factor as well. The whole question of the compensation package of Hydro is covered by the current legislation we are now debating in the House.

Mr. Foulds: As the minister knows, one of the major reasons for the Ontario Hydro's application for increased rates—and it will continue to be a major reason for applications for even higher increases—is the enormous borrowing that Hydro engages in.

Is the minister aware that Ontario Hydro borrowed \$2.3 billion this year alone, in addition to the \$14 billion it had already borrowed by the end of 1981? Since the interest charges on this borrowing must be paid for by Ontario Hydro's customers, will the minister now agree to the following simple, two-point program: One, freeze Hydro rates; and two, have a full public inquiry into Hydro's capital spending, expansion program and the interest rate charges on that capital program?

Hon. Mr. Welch: If I can answer the second part of the supplementary first, there is no question but that the Hydro board itself is reviewing all of its capital program as part of an overall approach to respond not only to the legislation but also to the spirit of the whole

concept of restraint. The Hydro board is examining all of its capital program along those lines.

Second, I think the member will have to recognize that we do have the benefit of a very thorough public review of the revenue requirements of Hydro as examined by the Ontario Energy Board in the context of restraint.

To suggest that one would work from the rate downwards rather than from strict revenue requirements upwards, applying the wage restraint program, is to ignore the fact that if Hydro is denied what is considered to be its reasonable revenue requirements, where else will the money come from to accommodate some artificial price than by increased borrowing and therefore an increased deficit, which then will work in quite a negative way to this whole concept of restraint?

I think this is being approached in a very positive way by determining what the revenue requirements will be.

I do not know why the member is waving at me, whether he wants more of an explanation, but certainly this is a very important question.

The Ontario Energy Board, in the context of the economic situation of today, considered the Hydro request and recommended five per cent below the average which Hydro itself had asked for, and the Hydro board will now be expected to apply the compensation package of the inflation restraint program.

Mr. Kerrio: Mr. Speaker, Ontario Hydro is answerable to no one because of its structure, not to the people of Ontario, not even to the government of Ontario, let alone the Premier or the minister himself. Although it supposedly was set up that way to remove it from the political arena, it was very convenient for the then Treasurer, Darcy McKeough, to take back their funding and put Ontario Hydro in its place.

In view of the fact that the Ontario Energy Board cannot even look into Hydro's expansion—that is how far they are removed from any examination—why is the minister not now willing to do the right thing and hold the rates down in just the way he is doing it to the people of Ontario? Why does he not show some leadership over there?

Hon. Mr. Welch: Mr. Speaker, the honourable member, as Energy critic, understands the law passed by the Legislature in establishment of responsibility of Ontario Hydro. If he were to review the history of his own party, I do not read anywhere where it has ever been argued, as part of the official program of the Ontario Liberal Party, that Ontario Hydro should be part of any

particular department or ministry of government. The party has always respected the nonpolitical intervention, and I ask him to read the record on that subject. It is there. No one can change it. The law is quite clear as to who has the ultimate responsibility of setting the rates.

I invite the member to compare the electrical rates in this jurisdiction with those in many other jurisdictions, both in Canada and the United States. I invite him to read, if he has not done so already, the Ontario Energy Board's report with respect to what that board, after very extensive public hearings, felt the revenue requirements of Hydro were. I also remind him that the compensation restraint package in the current legislation applies to Hydro as well.

Mr. Foulds: Does the Minister of Energy consider it part of Ontario Hydro's cautiousness and attitude towards restraint that last week, while the Premier was announcing the program of control on public sector wages, Hydro went out to borrow, in one week alone, \$450 million? Does he realize that if only half that amount were put into low-interest loans to develop conservation programs for people in this province to retrofit their homes and get off oil, he could create 10,000 jobs? Is that not the way that money and capital should be spent in this province, instead of on an overexpansion of capital projects in Hydro that we do not need because of a declining rate of consumption?

Hon. Mr. Welch: I repeat that the Ontario Hydro board and its management are currently conducting a very extensive review of what its capital requirements are going to be. I understand, in so far as borrowing is concerned, that it is within the guidelines it established as to what the requirements would be.

It is very interesting to hear the member's observations about conservation. The member from Windsor, in his contribution to the current legislation, did make some reference to the employment implications and what could be accomplished through conservation, making it quite clear that he does not understand the residential energy assistance program already under the jurisdiction of Hydro and the conservation leadership which Hydro is giving.

We should be quite clear here that this public utility enjoys a very splendid reputation and is very conscious of its responsibility to contribute to the overall restraint program, and I am quite satisfied it will respond to it.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Treasurer about the wage control program in Bill 179. Would the Treasurer care to explain how his program of suppression and confiscation of wages of those workers who have signed two-year agreements will contribute to the wellbeing of Suneela Sikand? Miss Sikand is an inquiries clerk in the Ministry of Transportation and Communications. She is a member of the Ontario Public Service Employees' Union, which had already negotiated an increase for her of 11 per cent starting next January.

Why is the government imposing a cutback of six per cent on her wages, which is a surcharge of \$1,080, or the equivalent of an increase in provincial taxes of about 83 per cent? The government would not have the guts to introduce a tax increase of 83 per cent on anybody in this province, let alone a clerical worker. Why does the Treasurer do it through the back door on this group of workers and on this woman in particular?

[Interruption].

Mr. Speaker: Order. I must caution our visitors in the public galleries not to take part in any demonstration; otherwise, I shall have to clear the galleries.

Hon. F. S. Miller: Mr. Speaker, there are a number of two-year contracts that are caught in the control year. The honourable member knows that. At the same time, using his traditional route of choosing a specific example, he will very carefully select it. I wonder, however, whether he really looked into the effects of the program in that particular case. I do not know what the salary level is for that person. If it is less than \$20,000, at present she will certainly receive at least five per cent and possibly as much as 7.5 or eight per cent under the program.

Mr. Foulds: You just cut her back by six per cent.

2:50 p.m.

Hon. F. S. Miller: Just a second now. The member made the assumption in his question that it was a total rollback of six per cent, did he not? He made the assumption of six per cent. I am only asking him whether he assumed it. Let me deal with his assumption then.

I suggest to him that if the salary of that person is less than \$20,000, his assumption is

likely incorrect. If the salary is less than \$15,000 a year, it is certainly incorrect.

Mr. Foulds: It is \$18,000.

Hon. F. S. Miller: All right. The fact remains—

Mr. Cooke: You are still increasing the taxes; so stop being silly.

Hon. F. S. Miller: I am not being silly. I encourage the member to go out and listen to a lot of people. I have listened to a lot of civil servants in the last little while on phone-in shows. I have to tell him, I have not heard more than one so far who has said the program is not fair from his point of view. That is an important thing to remember. In Hamilton this morning, at least two groups phoned in to say they believed the program was fair, and they were in that program.

Mr. Philip: Why don't you talk to the people in the galleries? They'll tell you how fair it is.

Hon. F. S. Miller: I do not expect total acceptance. I suggest the unemployment in the province is not fair either, and we are trying our very best at present to make sure the dice are not all against one group in society.

Mr. Foulds: It happens to affect 17,000 workers with signed contracts which the Treasurer is rolling back. They happen to be the clerical workers and the office categories, which are traditionally the two lowest-paid categories in the Ontario public service.

The Treasurer mentioned unemployment. All right, let me give him another case. Does he remember the Premier (Mr. Davis) saying last Tuesday, "The measure of job security afforded those who work in the public sector must be viewed as somewhat inequitable when many taxpayers are facing reduced work hours, lower or no salary increases or total loss of income through layoffs"?

Can the Treasurer tell me how holding back the wages of Maggie Kerkhoff, a Canadian Union of Public Employees day care worker in Ottawa, will help her husband? He has been unemployed for more than a year and has no income. How will cutting back his wife's wages on the grounds that she has job security help that family in any way whatsoever?

Hon. F. S. Miller: In the perverted logic of the New Democratic Party, an increase is a cut-back. I have to say that no one is cut back under our program.

Mr. Foulds: You cut back the increase they negotiated.

Hon. F. S. Miller: The member should use his words carefully. He has been a teacher at some time in his life, has he not? He said "cut back."

Mr. Foulds: You have been a hell of a Treasurer, let me tell you that.

Mr. Cassidy: It's the contract you made, and you broke it.

Mr. Laughren: You reneged on a deal.

Mr. Speaker: Order. I will have to ask the Treasurer to address his remarks to the specific question and to please ignore the interjections.

Hon. F. S. Miller: The fact that merit increases are also permitted is something no one talks about much, is it? Merit increases are permitted as well. A lot of people in society are in groups that do not have such a thing as a merit increase rolled into their contracts. They think of a five per cent increase as being five per cent and not seven, nine, 11 or 13 per cent at a maximum level. I think we have tried to be very fair in this system.

As I have said before, there are a lot of people out there who would trade their present state for the state of many of our own employees.

To deal directly with the question the member asked me, what am I doing for her husband? If our program does nothing for the unemployed in this province, then of course it is not a success. But the member missed the total point. We never claimed a wage restraint program was the total package. We have asked over and over again, and we are continuing to ask, for an employment-creating package as well. We have said we will be part of that package. We know anything that cuts the rate of inflation and cuts the interest rate creates jobs in Ontario.

Mr. Wrye: Mr. Speaker, in his first answer the Treasurer alluded to the fact that those employees who are earning less than \$20,000 could get somewhat more than five per cent.

Since the members of his Tory caucus told him clearly in the caucus meeting that they wanted notching of the program in the drafting of this legislation, let me ask the Treasurer why the notching, even if it is given, is only up to about 6 2/3 per cent at \$15,000 income? In drafting this legislation, why did the Treasurer not mandate some notching rather than leaving it simply as a discretion that may or may not be followed? Why did he not give a little bit of equity to those who are truly in need?

Hon. F. S. Miller: Mr. Speaker, the very phrasing of the honourable member's question implied one thing: he would rather be in our caucus than his. He obviously has good relation-

ships with our caucus, which is not surprising, because emotionally he is a Conservative.

The fact is, unlike the Liberals in Ottawa, whom I know he is not one of, at least we recognize that the people at the lower end of the scale should not be given a flat percentage not subject to some discretion. We do have a platform or a floor of \$750 and we have the discretion up to \$1,000. That was done with a great deal of thought to allow some more flexibility at the lower end of the income scale.

Mr. Foulds: Will the Treasurer admit that this is not an inflation-fighting program but a wage restraint program on the public sector because he cannot meet his deficit any other way? Will he admit that he does not have the power or the courage to raise taxes by a surcharge on those most able to pay—say, those earning more than \$50,000 or \$55,000 a year—and that by putting a surcharge on workers in the public sector he has met that objective?

Does he know, for example, that by rolling back the agreement that his government entered into involving this particular worker, he is increasing the Kerkhoff family's costs by \$1,020 in real terms? That is more than Mrs. Kerkhoff will pay for all of her provincial income tax. It is equivalent to an increase of 127.5 per cent in her income tax. If the Treasurer wants to contain his deficit and raise taxes, why does he not do it in an equitable manner?

Hon. F. S. Miller: We did.

KOZAK TREATMENT PROGRAM

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of Health. The minister is no doubt aware that Pavel Kozak, a world-renowned skin specialist, was in Toronto for about 10 days. I want to ask the minister why he was treated with such discourtesy, when all he wanted to do was to establish communications with the Ministry of Health and to discuss the offer made by this very ministry.

Hon. Mr. Grossman: With respect, Mr. Speaker, I object somewhat to the suggestion that he was not treated with the utmost courtesy. As the honourable member well knows, we have allocated \$900,000 to a program at the Hospital for Sick Children—a program that has three university teaching facilities backing it, with experts from those three institutions working on the kind of thing Mr. Kozak does.

Pursuant to that arrangement, offers have been made to Mr. Kozak comprising—I want to get it exact—a retainer fee of \$10,000 per year, a

consulting fee of \$750 per day and travel time at \$350 per day. Notwithstanding that offer, which was made last March, Mr. Kozak was unable to reach an agreement with those running the program. Extensive efforts have been made to get Mr. Kozak to participate in the program, including flying people to West Germany to meet with Mr. Kozak and his representatives. That was done over the summer.

Mr. Kozak was here last week and was invited once again to take up the offer made by Dr. Ramsay and his people. Mr. Kozak declined. He set out his own terms for participating. In essence, his lawyer was suggesting that he ought to open a private clinic or be offered a variety of other alternatives. Everyone was available to meet with Mr. Kozak's lawyer to discuss any arrangement he may have thought would have qualified Mr. Kozak under the existing legislation in this province. The solicitor for Dr. Ramsay would have been available if Mr. Kozak had wanted to sit down and discuss participation in that program under the terms and conditions set out. They declined to do that.

3 p.m.

I indicated to the member, as he well knows, that if Mr. Kozak's lawyer did not know the right persons to contact in order to see if the scheme he had worked out qualified under the legislation, we would be pleased to direct him to the proper persons who might be able to discuss with him the legalities of what he was proposing. That was not taken up either; therefore, Mr. Kozak has gone home.

I should take this opportunity to say very clearly to the member, and to the others who are taking Mr. Kozak's case to the public, that the Kozak treatment is available in Toronto. It is available here in Toronto through some of the best experts and specialists anywhere in the world. To the extent that efforts are made to suggest to the tragic sufferers of this disease that they can only get treated with "the Kozak treatment" by spending tens of thousands of dollars to fly to West Germany to be treated by Mr. Kozak himself, I suggest is somewhat of an injustice to those poor victims. They should be treated by the specialists here who are very well equipped to handle those cases.

Mr. Ruprecht: Mr. Speaker, the minister indicated just now that everyone was pleased to see Mr. Kozak and he was invited to see people. The minister will be aware that he is sometimes harder to get hold of than Alexander the Great was. Mr. Kozak's lawyer tried to get in contact

with the minister. He did not receive a reply. He tried to get in contact with the minister's executive assistant and with Graham Scott, the deputy minister. He received no reply.

Mr. Speaker: A supplementary, please.

Mr. Ruprecht: I could go on, but that is precisely what I asked in my first question: Why was he treated in this very discourteous manner?

Here is my question: If the minister was willing and able to see Mr. Kozak at any time and to consider his offer, then why is it so hard for the minister simply to say he approached him and was approached by Mr. Kozak's solicitor? Why is it so difficult for the minister or for anyone in his ministry, including the solicitor the minister had indicated Mr. Kozak's solicitor should see—and he too refused to see Mr. Kozak's solicitor—to identify someone whom Mr. Kozak or his solicitor could see? The minister has not done that. If he is telling me now that he has, then I would say he is less than truthful, because of the figures I have.

Hon. Mr. Grossman: Let us make it very clear. The honourable member and I chatted three times last week here. He has had several conversations with my executive assistant as well. The member indicated that he was speaking on behalf of Mr. Kozak and his solicitor. I think it was reasonable for us to presume that communication to the member was responding to that direct request.

May I also indicate that we suggested that a meeting with the minister or the deputy would not be productive since—and I want to make this clear—no change of ministry policy with regard to opening private hospitals or giving direct billing privileges to a scientist such as Mr. Kozak would be permitted. There is no policy decision to be made here by the minister; therefore, meetings with the minister could not be productive in any way.

All that Mr. Kozak and his solicitor indicated to me, through the member, quite directly, was that they wanted an opportunity to meet with us to discuss a change in policy to see if he could open a private hospital. No dialogue is needed on that. The member may accuse the ministry of having a closed mind on that, but I am willing to stand here in my place and say, if it is the position of the Liberal Party of Ontario that special treatments should be provided through private hospitals, that is advocating quite clearly a two-tier level of medicine, which we on this side of the House reject.

We believe that treatments for epidermolysis

bullosa and other diseases should be done by qualified experts through public general hospitals. I am not about to maintain a system where everyone who is able to develop an important new treatment makes it available to the citizens of this province through a series of private hospitals and private clinics. They are going to be available in the public general hospitals of this province; that is where they should be. That is why there will be no change of policy by this government or this ministry.

To the extent that Mr. Kozak's lawyer feels he has got a scheme that is workable under the laws of Ontario, this scheme should be committed to writing by his solicitor. It should be put to the College of Physicians and Surgeons of Ontario for them to see if the arrangement is allowable and put to the ministry's solicitors to see if the arrangement worked out qualifies under the existing legislation.

I am not practising law; I should not be. My deputy is not practising law. It is up to the solicitors to determine whether the scheme he has drawn up meets the policy decisions of this government—policy decisions, I suggest, that, while they may be rejected by the Liberal Party of Ontario, for which they should be ashamed, are grandly supported by the people of this province.

Interjections.

Mr. Speaker: Order.

Mr. Di Santo: Mr. Speaker, can we have the attention of the minister? We are for one medicine for everybody; that is why we are against opting out. I hope the minister will find a positive solution to his dealings with Dr. Kozak.

But in view of the fact that, despite his statement that Dr. Kozak's method is available in Ontario, still there are a number of patients—and it is a very limited number, 40 people in Ontario—who are going to West Germany to his clinic, is the minister considering finding, technically, any possible way of helping those patients who are in a very serious condition and who hope to go to West Germany but cannot avail themselves of the assistance of the Ontario health insurance plan?

Does the minister not think a way can be found so they can be reimbursed or financially helped rather than going to the general public, as is happening now? He has received a letter from the principal of Downsview secondary school appealing for one of the patients who lives in the riding of Yorkview.

Hon. Mr. Grossman: Mr. Speaker, I appreciate the member making that point. First, I should remind him and others that it is Mr. Kozak, not Dr. Kozak. That is crucial to this dialogue.

Second, I think it is terribly unfortunate that many people believe that this treatment is available only in West Germany. It is costing tens of thousands of dollars to send sufferers to the place they have been led to believe is the only place to have their disease treated. I should take this opportunity to urge all those people who know some EB sufferers to say to them, "Do not, in the tragic circumstances in which you find yourselves, spend \$10,000 or \$20,000 for a three or four week treatment in West Germany without first going to the clinic set up here under the auspices of the University of Western Ontario, McMaster University and the University of Toronto medical school with the leading skin specialists, perhaps, in North America, who had the Kozak treatment shared with them by Mr. Kozak a long time ago and who have been given almost \$1 million to do research on that treatment and to work on it."

I can surely share, as the member can, the desire of these patients to go to the shrine of EB treatment, which is held to be West Germany. But in fact that treatment is available here. Not all sufferers should go immediately to West Germany; they should be going here. I fear that hundreds of thousands of dollars have been spent on treatments there that need not have been spent. To that extent, it is a terrible tragedy to put people to incredible cost when that is not necessary; and to the extent that Mr. Kozak and those supporting him have disseminated the proposition that the treatment is only available there, that too, I suggest, is very unfortunate. I would urge all members to help us to try and correct that situation.

3:10 p.m.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Cooke: Mr. Speaker, I have a question for the Treasurer. I would like to begin by quoting from his September 21 statement in the House, where he stated: "The fact is, we are not going to get this economy moving until people take their money out of savings certificates and start spending and investing it, whether it is by buying stocks or homes or cars. Until we have restored that confidence to spend and invest, we will not recover." I would like to ask the Treasurer how his wage control program, which

will take \$500 million out of the economy of the province, will conform with that economic principle to get Ontario's economy working again? Does he not agree that the result of taking \$500 million out of the Ontario economy will mean a potential loss in the creation of 12,000 jobs in the province?

Hon. F. S. Miller: Mr. Speaker, I do not agree with any of the comments made by the honourable member. Any money that I spend as wages to a member of the public service either comes out of the pockets of the taxpayers of the province or out of borrowings we make, in many cases from those same taxpayers because most of the moneys we use are Canadian moneys. In fact, in the case of Ontario, all of the moneys we use are Canadian moneys. Any moneys we either borrow or tax are not there to be spent in the balance of the economy, whether it is done by one route or another. Surely the most simple arithmetic will tell one that.

Let me use a technique that I am sure has been used many times, in geometry in particular, to prove that someone is wrong and that is to take the member's argument and extrapolate to the absurd. If he is right, I would need only to double the salary of everyone in the public service and there would be no unemployment because I would have increased the purchasing power so much they would be spending it all over here and we would all have jobs.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding standing order 64, private members' public business will not be considered on Thursday, September 30.

Motion agreed to.

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. R. F. Johnston moved, seconded by Mr. Mackenzie pursuant to standing order 34(a), that the ordinary business of the House be set aside to debate a matter of urgent public importance: that thousands of Ontarians on public allowances and benefits are falling further behind inflation and more deeply below the poverty line; that many more individuals and families will be on welfare as their Unemployment Insurance Commission benefits run out; that Workmen's Compensation Board recipients and other pensioners in receipt of the guaranteed annual income supplement need

immediate action on their behalf; and that the Ministry of Community and Social Services has had before it since June a report urging the increase of social assistance benefits.

Mr. Speaker: I beg to inform all honourable members that notice of the motion has been received and the time complies with the standing order. I will be pleased to listen to the honourable member for up to five minutes as to why he thinks the ordinary business of this House should be set aside.

Mr. R. F. Johnston: Mr. Speaker, I rise at this time to raise this matter because I believe it is urgent and it is of public importance. This summer, hostels in this province have been full; they are usually half empty. People are sleeping in cars. People are sleeping outside. Soup kitchens have been full during this past summer. At the Scott Mission they serve over 700 people a day, something they have never seen since that mission has been open.

Single welfare recipients in the city of Toronto are spending 95 per cent and more of their income on rooming houses because there is no housing available for them. It is leaving them with nothing on which to eat. Yesterday I went to the Scott Mission with a group of mothers on general welfare and family benefits who were getting packages of food because the income maintenance system in this province does not provide them with the basic necessities.

For those people, this is an emergency and it deserves an urgent, not a stuttering and slow-minded response by the government. It is a hell of a lot more of an emergency than that of calling us all back here to bring in a phoney wage control package for the civil servants of this province. A committee of this Legislature, as well as a royal commission, has asked that single seniors be brought up to 60 per cent of the income of married seniors. It has not been done.

Single general welfare recipients are living at about 181 per cent below the new poverty line: \$3,192 a year when Statistics Canada says they should get \$8,970. That is an emergency. Those are dire straits for those people. We have had no indication there is going to be prompt action.

The Minister of Labour (Mr. Ramsay) says he is not going to bring in any Workmen's Compensation Board increases for people until the new year, even though the Premier (Mr. Davis) says he recognizes there has been 12 per cent inflation in this province in the last year. What are those poor people supposed to do, wait until

the members opposite get off their asses and help them? They need help now.

An hon. member: Such language.

Mr. R. F. Johnston: They heard what I said. Only 18 per cent of family benefit recipients are even in public housing. Only 14 per cent of those on general welfare are in public housing. Huge numbers of them are not even eligible for public housing. A lot of those people are going to be without housing altogether this fall. If that is not urgent, I do not know what urgent is. If it is not the government's public responsibility to make these people its priority, instead of dumping on a few civil servants to make a fraudulent point in the economy of this province, I do not know what is.

Therefore, Mr. Speaker, I implore you to allow this debate. I implore you to allow us to show that the minister has had information before him from his own ministry since June and from the social services people in Toronto since May showing that people in Toronto were living at a deficit on their income maintenance. After taking off rent and food, they have had no money for anything else. He has known that since May and it has not been a priority. I do not see why I should believe he is going to do something before he decides Christmas starts or winter begins this year.

This is a minister who is fiddling around while the hopes of these people burn. This government should be telling them when it is going to create jobs, not how it is going to slap penalties on civil servants. That should be debated today and there should be a resolution of it at the earliest opportunity.

Mr. Boudria: Mr. Speaker, I, too, wish to speak in favour of what has been said by the member for Scarborough West. I represent a constituency which is suffering some of the highest unemployment in the whole province. In my riding, we heard recently that in Hawkesbury, a town of 10,000, 431 people are losing their jobs at the CIP plant. Shortly, those people will be on unemployment and shortly thereafter on welfare because there are no other opportunities for employment in the town of Hawkesbury at this time. The same holds true in various areas of the province.

I will again use examples from my own area to illustrate just how important this issue is. Last year, in the united counties of Prescott and Russell there were 864 welfare recipients. This year there are 1,068, an increase of over 200 in that short period of time. The amount spent has

increased from \$236,000 last year to \$304,000 for the same month this year. At the same time, the government is spending massive amounts of funds on all kinds of different schemes.

In the last years and in the last months, despite the prophesy of the government and this new-found conversion to restraint, we have seen that restraint concerns everything except the way this government spends money on itself.

3:20 p.m.

I have just read statistics compiled by the Ministry of Municipal Affairs and Housing contained in the newsletter known as *Background*, which talk about the increase in welfare recipients. It says: "Last March, 24,354 people throughout Ontario were receiving general welfare assistance because they could not find jobs. This March, the figure was up to 32,665. The increase is particularly dramatic among those 25 years of age and under."

When I was speaking to the welfare agencies in my own constituency this morning, I was told that area was specifically of concern to the welfare administrator. Our young people are unemployed. There is little chance for them to find jobs; they are looking for welfare assistance and the amount they are getting is clearly insufficient.

The minister has told us that the figures drawn up by the city of Toronto were cooked, that they were not exact and that perhaps we were not 10th and last amongst the provinces. Perhaps we have the distinct honour of being ninth instead of 10th. I suggest that record is nothing to brag about, being ninth in the so-called province of opportunity. When I grew up, that title was right on the licence plates of motor vehicles, "Ontario, province of opportunity."

What kind of opportunity do the young people of this province have to look forward to when they are going to get \$238 a month if they cannot get a job? It is not a matter of being lazy. My colleagues, the member for Kitchener-Wilmot (Mr. Sweeney) and the member for Essex South (Mr. Mancini), and I travel this province looking for methods of finding youth employment. We were surprised to see the enthusiasm that is still there amongst our young people. I do not know why it is there. They still have a good attitude and still want jobs. The only thing they can get right now is welfare and most of them do not even have a place to stay.

This summer, I discovered a man, a woman and their three children on the steps of the Legislature. They had decided to camp outside

because they had no place to stay. For a number of days they were kept by a news reporter in this city who allowed them to live at her place. We are very grateful for that.

That illustrates that people who do not have a place to stay are not able to find any kind of accommodation on the general welfare assistance they are getting. I know the minister is going to talk to us about public housing. I will challenge the minister to tell us what good public housing does for the ones who cannot live in it. Granted some people do live in it, but most of them do not.

The handful of public housing units in my own constituency do nothing for those people who have no place to stay. The minister could have told that couple on the steps of the Legislature who could not find a place to live that everybody else had a public housing unit; but they did not. They had been trying to get in one for seven years. They could not find a place to live and they could not rent any other place with the amount provided to them.

We are told by the minister that he has increased all kinds of other benefits. He may have increased the Family Benefits Act rates and other areas helping the disabled on guaranteed annual income supplement. Today, for instance, we received notice that the Gains for senior citizens has been augmented. What we are concerned with now is the general welfare assistance rate. I am pleased to agree with the member for Scarborough West as to the urgency of this debate.

Hon. Mr. Drea: First of all, Mr. Speaker, let us be very factual and very accurate. There is a very deep problem in this province upon which this continuing recession has had a particular impact. The impact is on what the media are now starting to call "the new class of welfare" obviously is of significant public concern. The sheer numbers of those who have lost their jobs—474,000 in the province now, of which only some 20,000 odd have really shown up on social assistance; and if I had more time I could demonstrate that very accurately.

Mr. Elston: Have the debate and demonstrate all afternoon.

Hon. Mr. Drea: Let us see what unfolds as it unfolds. Then if we do not have a debate this afternoon I am going to speak on the Treasurer's bill. So the member may have to hear it anyway. Members sitting in those seats will not like it very much.

To get back to the motion, it is an all-

encompassing one. Indeed, that was a rather lurid exposition of the problem. I think the member for Scarborough West, in his professed sensitivity towards the public, could give a rendition free from profanity and coarse references. After all, when he does that, he is degrading the people he pretends to have an interest in.

All of the remarks made by the member for Scarborough West in support of his motion have already been made in this House. Many of them were made yesterday. He never deviates from the script.

Mr. R. F. Johnston: Because you never do anything about it.

Hon. Mr. Drea: Therefore, I suggest the matter is not in itself urgent. It is a priority matter for the government that is being looked at in a very orderly and rapid fashion.

This year, we are going to spend \$1 billion in this province just on direct payment of social assistance.

Mr. Foulds: And \$10 billion on a nuclear station that you do not need.

Mr. Elston: That's an example of a failure.

Hon. Mr. Drea: It is not an example of a failure, it is an example of what happens when the economy slows down.

Mr. Roy: You are in last place.

Hon. Mr. Drea: We are not in last place and I have abundantly demonstrated that we are not.

If the member for Prescott-Russell (Mr. Boudria) wants to persist we can argue this again. Every time I argue with him privately he goes away with his head held low and says, "I will not mention it again." Then two or three months later, he pops up again. He is always confused.

Mr. Boudria: When have I said that.

Hon. Mr. Drea: To come back to this motion, no matter how much we debate it today, it will not accelerate in any manner, shape or form our remedial plan to deal with the problems of the recession in Ontario this winter.

I gave rather long answers today. Any reasonable person can read between the lines as to exactly what will be forthcoming in the ensuing days and weeks. But it must be an affordable package or it will only exacerbate the humanitarian deficits of the recession.

I find it strange that those who oppose restraint, those who stand for more inflation and for business as usual regardless of the consequences to people who have lost their jobs,

regardless of the disabled and those on fixed incomes, that those who will not do anything to help their neighbour because they say, "I am all right, Jack," would be here today saying, "It is time to debate welfare."

Mr. Speaker: I have listened carefully and with great interest to the comments of all three parties. Quite frankly, I want to say that as a province we are indeed faced with a very serious problem. I recognize that and I do not want to diminish it in any way.

However, in my opinion, I must point out to the House that the proposed motion seeks to anticipate part of the amendment to the amendment to the budget motion which was moved by the member for Scarborough West (Mr. Cooke) and seconded by the member for Sudbury East (Mr. Martel) on May 20, 1982. I must advise all members that part of that amendment is substantially the same as the motion now proposed.

Moreover, Lewis's Parliamentary Procedure in Ontario, on page 40, states, "A motion for adjournment under this rule must be restricted to a single specific matter of recent occurrence, and having been discussed cannot again be brought up during the same session."

3:30 p.m.

In my opinion the terms of the proposed motion are too general to comply with this requirement and, indeed, appear to include several related matters rather than one specific matter. Therefore, I have to rule the motion out of order.

Mr. Laughren: On a point of order, Mr. Speaker: I wonder if you could tell us how that squares with the second emergency debate you allowed, on conditions in the Sudbury area.

Mr. Speaker: I felt quite obviously strongly enough that it did comply with the orders, and I did find in favour of it. That is the answer to that.

Mr. Foulds: Mr. Speaker, with great regret, respectfully we must challenge your decision. We consider poverty in this province, homelessness in this province, to be a matter of urgent public importance.

4:05 p.m.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Ashe, Barlow, Bennett, Bernier, Birch, Cousens, Cureatz, Davis, Dean, Drea, Elgie, Eves, Fish, Gillies, Gordon, Gregory,

Grossman, Harris, Havrot, Henderson, Hodgson, Johnson, J. M., Kells, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry;

Miller, F. S., Piché, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Shymko, Snow, Sterling, Stevenson, K. R., Taylor, J. A., Treleaven, Villeneuve, Walker, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Allen, Boudria, Bradley, Breagh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, Lupusella, Mackenzie, Martel, McClellan, Newman, Philip, Reed, J. A., Reid, T. P., Roy, Ruprecht, Ruston, Samis, Spensieri, Sweeney, Wildman, Worton, Wrye.

Ayes 53; nays 38.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. R. F. Johnston: When I adjourned the debate yesterday, I had been talking about the total sham of the price control section of this legislation in as much as all costs can be passed through, plus five per cent. I talked about the Minister of Housing and Municipal Affairs (Mr. Bennett) who I gather indicated he thought the various communities and municipalities around the province should not be able to pass through costs. They should not be able to consider major increases in their costs and therefore he is not going to be sending them as much money this year as he revises the amount of money he will be shipping off.

I would like to move on to speak about some of the things that could have been done, that should have been considered at this time in terms of an economic blueprint for the province. The issue of the day is not restraining the wages of 500,000 people, 100,000 of whom are unorganized and are living at very poor levels in this province already. The government's priorities should be the creation and preservation of jobs and—dare I say it although the chair has

ruled otherwise?—in some emergency sense the plight of poor people in this province.

4:10 p.m.

We should be doing what my leader suggested, and that is building more nonprofit housing. There are thousands of people on waiting lists in Metro Toronto alone. There are almost 30,000 people trying to get into publicly assisted housing, because this government has not done enough to increase the public housing supply.

That would be so much more useful to this province than telling social workers in family counselling services in Toronto that they should take a five per cent increase as a maximum, maybe even a zero per cent increase—I am not sure of their status in bargaining at the moment—when they earn \$18,000 or \$22,000 a year. The government should do something positive to create some places to stay for the people I have been talking about who are on the streets; to create housing for women who have been beaten in their homes, whose husbands are still allowed to stay in their homes and who are unable to find housing in Metropolitan Toronto; and to create jobs for people to build those housing units.

Surely that is of more use than telling somebody in the Brant county welfare office he should be earning only five per cent more, maximum, than the \$8,715 he is now pillaging from the government's coffers, that he is now just ripping the government off and exorbitantly demanding far too much from the huge revenues of Ontario. Surely if the government is going to come back with some kind of plan to give hope to the people of this province for getting out this recession, they would not come back and pick on that clerk who is making \$8,700. They would surely come forward—

Mr. Rotenberg: They get nine per cent.

Mr. R. F. Johnston: Oh they can get zero and they will probably get about 6.6 or 6.7 per cent; that is great, wonderful.

Mr. Martel: Ask him what he lives on.

Mr. R. F. Johnston: Compared to what the member opposite makes or what I make, that is a pittance. Those people do not deserve to be blamed for the government's incompetence or the incompetence of the federal Liberals.

Why does the government not announce a major program of conservation to create skilled jobs around this province? If we were retrofitting homes instead of taking off the tax exemptions for things like storm windows and storm

doors they might have been creating some jobs this fall.

Surely this makes an awful lot more sense than telling visiting homemakers in Prescott-Russell, as I mentioned before, that they should not earn much more than \$6,597 a year because, my God, that is really ripping off the taxpayers, is it not? Those people who are providing home support services to elderly people in Prescott-Russell, those people who are trying to give the kind of services that surely the government wants to give to people in need in their homes in those communities should be able to earn only what—\$7,000 maximum? That is what the government thinks is fair? That is what they think should be a priority for a government at this point?

That is just total balderdash. This legislation is just so skewed, so black-minded, so nasty that it could turn on these people having no effect on the economy. The Treasurer (Mr. F. S. Miller) knows it is not going to have any effect on the economy. He even covered himself in his opening statement. He said he cannot guarantee this is going to do any good. Of course not. It is 0.5 per cent of our gross provincial product he is talking about. It is going to do nothing.

If the government decided it was time to put an extra tax on people, rather than selecting this group of people which has so far escaped the devastation those in the private sector have suffered, rather than deciding they should share in the devastation maybe they could have looked for some other means of raising money.

Why not a surtax on people with taxable incomes over \$40,000 a year? Surely that is fairer than telling a children's aid society clerk he or she does not deserve to earn more than \$10,000 a year, that he is taking too much out of the treasury, that he is the reason the economy is failing, that he deserves to suffer like the people laid off in the private sector. And that is your solution; that is exactly what the government has done.

Why not a two per cent surtax? Our estimates show it would create approximately \$290 million. Instead of taxing 500,000 people whose salaries are not exorbitant and who do not have exorbitant expectations as I showed yesterday, why did the government not go to the 10 per cent of the people who earn taxable incomes of more than \$40,000 a year?

Those are not the people who are suffering. They have been able to invest their money at high interest rates. They have been able to invest and profit from the misery of the people

in the private sector who have been laid off. If the government had any sense of equity, surely these are the people they would have turned to for money rather taking it out of the pockets of small salary and wage earners.

Professional social workers who look after our kids are earning \$23,000 a year. Why attack them, for goodness sake? It is just outrageous.

There are adjustments the government could have made to the taxation system in this province, such as rolling back sales taxes that have already hurt people at the lower end of the scale far more than they are hurting members of this House. The government has already punished them once this spring, now they insist on doing it again.

Mr. Boudria: Let them eat peanut butter.

Mr. R. F. Johnston: The government feels a nurse's aid in one of our homes for the aged deserves more taxation, deserves not only to be paying the sales tax added to almost everything that moved this spring, but that her wages should be limited as well, thereby, as my deputy leader has said, essentially taxing her again. It is a fundamentally mean-spirited act, especially when the government knows it is not going to do anything.

Mr. Martel: What is that going to do about interest rates established in the United States?

Mr. R. F. Johnston: That is a good point. What are our problems in the economy at the moment? High unemployment, high interest rates and high mortgage rates. What on earth is this going to do to change that? Not a darn thing.

I will not repeat myself at length on this, but in my view the government is going to turn worker against worker, to make those who do not have it at the moment and are being hurt jealous of those people who are just getting what we would expect for any working person—job security and the ability to keep pace with the cost of living. What is so outrageous about that?

Most of these people have not received increases in the last couple of years higher than what the Premier (Mr. Davis) has told us was the rate of inflation, 12 per cent. He himself said that. That is not taking more out of the coffers than they deserve, especially at the pay levels we are talking about here.

What the government should have done is made sure that rent control worked and that people could actually afford their rent. Instead, they allowed what is happening in my riding where, under the guise of carrying out major renovations, landlords are clearing out the

occupants, making a few minor changes and then renting the place for about \$400 more a month, excluding from the market people who would normally have lived in that kind of community. It is a new form of blockbusting.

4:20 p.m.

He could have done far more if he had tightened up the rent review rules, if he had perhaps changed the business of exempting buildings constructed since 1976 and if he had perhaps made sure people were not playing a lot of shenanigans with remortgaging which seems to me is what is happening out there. Surely that is far more use than attacking day care workers. The Minister for Community and Social Services (Mr. Drea) winced as I said that as if it is incredible I should suggest what this bill is doing is attacking day care workers.

Hon. Mr. Drea: No.

Mr. R. F. Johnston: No? You are admitting it is attacking day care workers.

Hon. Mr. Drea: No, I am reading something else.

Mr. R. F. Johnston: It is attacking day care workers and he can be sure of that, either the organized ones who happen to be making gross salaries of \$14,000 a year or totally out of sight things like \$17,000 a year, or the unorganized who are earning about \$8,000 a year and some in private day care who are earning the minimum wage. All those people are covered under this bill, this gentle piece of legislation with all the arbitrary powers it gives to this board to stomp on those people. This government has made interesting choices.

He could have decided that energy costs could be frozen in terms of public transit. He could have decided that would be a positive thing to do at this stage instead of deciding that workers with the mentally retarded who are already overburdened and who already suffer burnout should have an extra pressure added. Give them only five per cent and let them figure out how they are going to pay \$300 more on their mortgages. Ask them how they are going to finance their cars this year if they have to buy new ones. God forbid if they have to try to buy new ones on these salaries.

This is the most distorted piece of legislation we have seen in this place in a long time. The government's role should surely be to make jobs for people, to protect jobs for people so they can participate in this community with dignity, to protect those who do not have jobs and to

protect those who have become victims of economic downturns.

The Premier, when he introduced this legislation, started it off with this statement, "Today represents a critical opportunity for the Legislature of this province to address those issues of vital concern to the health of our economy, our province and all its citizens." What do we get? We get an attack on 500,000 people who are not being exorbitantly paid and we are told that is the solution.

It does not deal with single senior citizens. A committee of this Legislature and a royal commission recommended they should be brought as quickly as possible—immediately might have been the word—to 60 per cent of the amount of money a married senior citizens couple gets in this province so they could be above the poverty line.

This bill does not speak to those people. This bill does not speak to that commitment by a royal commission and a select committee of this Legislature. It ignores those people. It is sort of dangling this punishment that is going on for the civil servants saying: "This is going to solve it. This will help you." Some time or other, if one is part of the group the Minister of Community and Social Services decides to select as the good guys, one may actually get an increase this year.

This does nothing at all for people on minimum wage in the private sector who are already in total jeopardy. Those people know there are thousands and thousands of people behind them waiting for jobs at the minimum wage. They have no protection. They have no organization in terms of unions and are totally vulnerable.

As a province, we are now just about to become 11th out of 13 jurisdictions in this country in terms of the rate of our minimum wage. As of October 1, unless there is some surprise announcement from one or two of the provinces, we will be better off only than Newfoundland, a nickel more, and that is something to be proud of in this the greatest province, the province of opportunity.

Mr. Martel: Where else would you rather be?

Mr. R. F. Johnston: Where else would you rather be? "A place to stand, a place to grow." It is no place to grow if one is getting \$3.50 an hour. It is no place to grow if one is getting \$140 a week—for example day care workers who are now going to be told they are frozen at that figure. An employer can come to a board and say: "With all my pass-through costs at the day care centre this year, with extra heating costs and having to replace equipment, I just cannot

afford to pay these people the five per cent they want. I would like to suggest to the board that perhaps it only give them one or two per cent." And the board can make that decision. It does not have to hear from one day care worker. It can do it on the recommendation of an employer. That is justice, that is opportunity in Ontario.

The bill does not do a darned thing for Workmen's Compensation Board recipients. We have a minister who has the nerve to say in this House he will not do anything about it until the new year. Does he know what it is like to wait almost as beggars for droppings to come from this government? How can the government do that to people who have lost their ability to earn wages on the job, who are receiving benefits because some responsibility has been accepted by society for providing for them? Now the government is telling them that even though they have not had a raise since one year ago last July it is not going to look at this until the new year. The government comes out to hammer a group of civil servants, to make them feel part of that suffering too, so the working people of this province can really feel good about being in solidarity together in suffering. It is a great prescription for the future.

The bill does not do a darned thing for a handicapped person in this province. For some mysterious reason I do not understand, a single handicapped person is expected to get by with \$414 a month in this province. We even accept that a single senior citizen should get \$529, though we know that is below the poverty line and below any recommendation of any committee in this Legislature and of a royal commission. Those people are not being given a proper chance to get jobs and they are not being allowed a dignified amount of money to get by on.

The government has not addressed that. It has not said that is a priority. Today it has said it is not even an urgent matter. I will not deal with the ruling, but to say that is not an urgent matter for those people at this time of inflation is ludicrous. The Treasurer may say this is not relevant to his bill, but it is. When it was introduced the Premier said, "This speaks to those issues of vital concern to all its citizens." I am saying this bill does not deal with the issues that are of vital concern to handicapped people in this province.

The bill does not deal at all with family benefits recipients. Why should they feel good about this legislation coming in? What in this legislation is going to make those people feel

that going to the Scott Mission to get food at the end of the month for their kids is just fine and everything is going to work out just dandy? There is nothing. The government has not spoken to those people and their concerns. It has not said they are a priority. It has said its priority is to punish the people who keep it in government, the people who do its work for it, some of it pretty dirty work.

4:30 p.m.

The Minister of Community and Social Services has said many times that we are not in 10th place in what we give our welfare recipients, specifically the scenario of one parent with one child put forward by the Social Planning Council of Metropolitan Toronto.

He has said, and I understand the complexity of the various schemes around this country, that you can build arguments that we are not in 10th place. I have never said we are, by the way; the Minister of Community and Social Services put those words in my mouth, I never said that.

The people in New Brunswick have a very complicated system with respect to their accommodation costs. I agree with that. It is difficult to say that we are absolutely in 10th place, but I defy the minister to cook the books well enough to show that we are not way down there somewhere.

Is the minister aware of the latest information that has just come out from the social planning council, which he was assuring me in some way the other day in response to my first question is using his statisticians now?

Hon. Mr. Drea: Hey, come on; I said they wanted to, you know that.

The Acting Speaker (Mr. Cousens): Order.

Hon. Mr. Drea: You know that. Keep it accurate.

Mr. R. F. Johnston: I am sorry. I did find the minister's answers that day relatively difficult to follow. Perhaps he did say they wanted them, but I did not get the idea that he did not offer him or her, whoever it was.

But they have come out with new figures. Has the minister seen them today? He has not seen them yet.

Hon. Mr. Drea: Do you want to read them? We can have fun tomorrow.

Mr. R. F. Johnston: I just thought I would raise them with you again. I do not know whether they are right or wrong.

Hon. Mr. Drea: Oh.

Mr. R. F. Johnston: As I have never said, and you should keep yourself calm now—

Hon. Mr. Drea: I am very calm.

The Acting Speaker: I ask the honourable member to speak to Bill 179 and not to try to include a private conversation with another member. If he is doing so, it is by his riding or his title.

Mr. R. F. Johnston: Thank you, Mr. Speaker. The Minister of Community and Social Services was the one I was perhaps gibing as I make my comments on whom this is not dealing with.

The figures they have just come out with show that in some cases we are in 10th place in short-term rates, as they put it; in other cases we are in ninth place. I will be happy to send these over to the minister if he has not received them, but I presume he will have received them.

No matter how you look at those comparative figures across the country, and no matter how you cook the books, we are low.

Hon. Mr. Drea: I do not cook the books, you do.

The Acting Speaker: Order. We are talking to Bill 179.

Mr. R. F. Johnston: I am absolutely talking to Bill 179 and why the principles of this bill have no relevance to these people.

No matter how you look at it, we have people living at ridiculously low levels in this province. The latest Statistics Canada poverty line for a single male in a major city is \$8,970. The minister can quibble with that if he wishes to, I do not really care; but no matter how he adjusts it—down \$500, \$600 or \$700—he has to understand that a single, employable welfare recipient in this province receives \$3,192, or \$266 a month.

That is not an urgent case of poverty. As early as May, social services in Metro Toronto indicated that in the case of a single employable under 65 in Metro who gets an allowance of \$266 a month the average rent at that time was \$200 and the average food costs were \$77.52. This left those people, after rent and food, with a deficit of \$11.52 for filling any other kind of basic needs one might have in personal hygiene, transportation, one's ability to communicate with other human beings or whatever it might be.

This is not urgent. This is something that was raised in this House in May. The minister was advised that this needed to be addressed, but he will not address it because, he says, he has not

known over the last couple of months what the increase is going to be in total numbers.

It is true that you have to look at this in terms of total budget consideration, but there are living human beings in this province who in the meantime are living in those conditions, who are taking all their money to rent rooms and who then are walking the long walk to the Scott Mission for one meal a day in this province in 1982.

That is not a matter of urgent debate. That is not a matter that is considered in this bill. This bill does not say anything to those people. There is nothing to repair the economy. All it does is attack the people who have been serving this province well, our civil servants and the people who provide our social service facilities around the province.

I could go on at length about the problems of people who have already been cast aside by our society; they have already been refused the ability to have a job in the society. The SKF workers for whom we did not go to fight to stop the arbitrary closing of their plant will soon have gone through their Unemployment Insurance Commission payments. After 26 years of paying their taxes to Scarborough and to Ontario they will maybe find themselves on our welfare rolls. This was an act that should never have happened, that should not be acceptable to anybody in this House and that we could have stopped if the government had the will.

The point I would like to make is that this bill, coming as it does when I have people like that in my constituency, is so offensive that it is like throwing dirt in their faces. It is like saying that the way the government is going to get out of this thing is to punish other people.

I will fight this thing with everything I have got. Somehow we will get it out to a committee where people can come in and talk about how this is going to affect them in personal ways. The government and the polls by which they want to live may learn that they and their polls will also be their downfall. If they are working as government, as honest politicians, they have to deal with some kind of principle and some kind of ideology; they cannot just follow the whims of a poll, especially when they know it does not mean anything.

A government that stays in power, knowing that it is doing so by fooling the people, is a government that will be found out and turfed out. I hope that as we talk about this bill and as we bring this bill to committee, we will set the scenario for the people of Ontario to see what

this government is like and to throw them out at the next election.

Hon. Mr. Drea: Mr. Speaker, just for the record: the member for Scarborough West for some peculiar reason said I was wincing at something he said. I was not wincing; I was merely reading an article in the *Nation*. There are some magnificent lines in that. I will use one or two of them in the foreseeable future. Quite frankly, if indeed I were to wince it would be at the very shabby, very shallow and, on occasion, very shoddy and totally disappointing remarks of those who are opposed to this bill. Before I get into that—

Mr. Martel: Spare us.

Mr. Cooke: This will be a first.

Mr. McClellan: Always a class act, eh, Frank?

Hon. Mr. Drea: There is a difficulty over there. When they try to circle a square and find out that it cannot be done, the only refuge they have left is to bleat and whine and complain; and there it comes—onwards, onwards, onwards.

Mr. Martel: Tell us how to fight high interest rates.

Hon. Mr. Drea: I am going to divide my remarks into two areas today. First of all, I want to talk about the parts of this bill that particularly affect my ministry and the agencies in the community, either the municipalities or private social agencies that are covered by the scope of this piece of legislation.

4:40 p.m.

It is very interesting. I have met with four of the major groups that are covered: the Ontario Association for the Mentally Retarded; the Ontario Association of Homes for the Aged, which encompasses both municipal and charitable homes; children's mental health centres, which are entirely in the private sector albeit their fees are paid by us; and the umbrella group, the Ontario Association of Children's Aid Societies, which societies are primarily funded by this ministry although, quite frankly, there is a significant level of municipal participation in their funding.

They see the need for public restraint based upon one fundamental consideration, that one cannot go on in this country with the present level of inflation, the present costs of doing business and the economic pressures that have been placed upon them. They are cognizant of the fact that a very significant portion of their employees is in the lower quadrant of the pay scale. They appreciate that this government,

this cabinet, and particularly this Treasurer (Mr. F. S. Miller), have dealt with this issue in a fair and sensitive manner, because those on the lower levels will receive their mandatory increases, which in many cases at the bottom of the scale will exceed the five per cent.

Mr. Cooke: This legislation is about as sensitive as you are.

Hon. Mr. Drea: Maybe that is because I had a great deal to do with it.

Mr. Cooke: That explains it.

Mr. Martel: You shouldn't brag about it.

Hon. Mr. Drea: The next time we are in an election, the member will be running for cover. He will not want to recall the things he has said in the past few days.

Mr. Martel: Why don't you call one now?

Mr. Cooke: Call one now. We'll be glad to take you on.

Hon. Mr. Drea: If we were to call one now, surely the member's argument about the polls would disappear. Does he mean to say he has been fooling around with the polls, saying we did it because it would be popular? I have heard him say that.

Mr. Martel: You have the polls. You know what the feds have said.

Hon. Mr. Drea: I have heard the member say over and over again: "You are not doing it on principle. You are doing it because it is popular." If they now want us to call an election, either they are kamikaze pilots—and knowing their profound interest in economics, I doubt that they are kamikaze pilots—or they feel the polls are wrong. If they feel the polls are wrong, then let us get off the argument about popularity versus principle.

One of the problems that has been affecting the ability of the delivery service in the four significant areas of social services I have referred to is the fact that traditionally, not only during their budget year—some are by calendar year rather than the province's fiscal year—but also during the province's fiscal year, there have been arbitrations or settlements of labour negotiations which have not been based upon the ability to pay.

Indeed, the impact of those arbitrations without regard for ability to pay has put many of the agencies in a very untenable position in terms of their delivery service. It is untenable to the point where the constant concern expressed to the province is that the deficits incurred by

those arbitrations have to be met by the province by picking up the deficits.

Mr. Foulds: Are you talking about the doctors' settlements, Frank?

Mr. McClellan: Which arbitrations, Frank? Tell us which ones you are talking about.

Mr. Foulds: Name names. You have them in your file there.

Hon. Mr. Drea: Mr. Speaker, the NDP members can barrack all day. I am going to pay no attention to them for the very simple reason that ever since last Tuesday they have humiliated themselves publicly. They have made fools of themselves. They are going down the pike. If they want to shout to the wall or bay to the moon, and that seems to be their preoccupation, then they can be my guest. I am going to speak to the Speaker. I am going to pay no attention to them.

However, because I do not want those members coming outside and crying on my shoulder at some future time, I want to say to them that I do hear very well through this ear; I know those members' voices. So let them bay at the moon, but they had better be very careful how it is done if they do not want some retaliation in the near future.

I would like to return to this bill. However, I suppose as one final parting shot, let me say that the NDP members have so little to offer on this subject that they are an absolute disgrace to left-wing thought. They have not produced a single thing here. There is more radical thought in the Conservative caucus on Tuesday morning than there is in that vast assemblage over there. Indeed, that is why they are shrinking: they are not as big as they used to be, and they know it.

To come back to what I was talking about: the particular concern about the sudden impact of those wage increases has prevented the people in charge of delivering services in this field from being able to take a look at the type of service that should be delivered in a particular changing time.

One of the benefits of this restraint legislation is that there is a very clear, very stable and very orderly period ahead when many of the social concerns, particularly those changed by changing demographics, particularly those coming about from the new economics—

Mr. Cooke: It is called Reaganomics in Ontario.

Hon. Mr. Drea: —particularly those coming about by necessity because of the restructuring

of the private sector in order that the private sector can survive—

Mr. Cooke: That one is called plant shutdowns.

Mr. Mackenzie: Are you going to legislate a restructuring of the private sector, Frank?

Mr. Martel: Watch interest rates go up after the American elections. What are you going to do then?

The Deputy Speaker: Speak to me, minister.

Mr. Cooke: Now continue with this very deep speech.

The Deputy Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, I do not mind a bit of barracking, but when it comes from the member who is universally acclaimed as number 125 in this House, I suggest that he go outside and shout at somebody else.

In this restraint period there is obviously going to have to be, not only in consultation with the province and the federal government but also with the municipal sector and the private social agencies, a very new and very significant approach to what is going to be required in the totality of the social order, not only in this decade but also in the decade ending this century.

4:50 p.m.

Mr. Foulds: Would you mind repeating that?

Hon. Mr. Drea: I will be delighted to repeat it. Unlike the member for Port Arthur, I do not read anything.

Mr. Cooke: We know that.

Mr. Foulds: It shows.

Hon. Mr. Drea: I do not have a little peon of a scriptwriter doing mine for me and then stand up as the great poseur with my three levels of books and recall my fond days as a teacher of dramatic arts, not me.

I will be delighted to repeat that.

Hon. Mr. Walker: Who are you talking about? Who was that?

Hon. Mr. Drea: Who else would it be? I have met lots of people who stood on books, but I never met anybody before who leaned on them.

Obviously the totality of the social order includes education; colleges and universities, particularly for skills training; and all social services, particularly those to the elderly and those to the near elderly, which is a field that has not been properly addressed; along with the very many dimensions and sides of health.

There has to be a real look taken at the necessary services that are going to have to be

provided, how we are going to afford those in a country whose economic base is not expanding—and it is obvious a considerable period of time will be required before it expands to anywhere near what we have come to expect as normal. Obviously these restraints and this type of bill are required.

I found it very interesting that the opponents of this bill, locked deeply as they are in rather antiquated Keynesian economics, came out arguing about a double standard. I have heard about the double standard on quite a few occasions. If ever there was a double standard, it has been coming from over there.

What they are really saying is that notwithstanding the tremendous impact on the private sector, notwithstanding the dreadful unemployment figures—and virtually 90 to 95 per cent of those who are unemployed are from or derive their earnings from the private sector—notwithstanding the tremendous amount of social chaos, involving not merely an isolated case but relatively large numbers of people who have lost their expectations of even a part of the Canadian dream, who look at the interest rates, at the down payments and at the affordability, and regardless of what their collective agreements are providing them they have found they are only chasing inflation two or three or four or five points behind, six months or a year or two years behind, they are unable to look forward to what they really want, a stable, orderly future where they can make plans.

Suddenly, the affordability of their basic commodity, which is a home, is completely eroded by one of two things: inflation, which makes a mockery out of their wages, no matter how strong their collective bargaining; or the collapse of their employer, which makes a mockery out of any form of job security; or at particular ages, especially over 45, of their ability at any time in the foreseeable future to get back to anywhere near the type of income they regarded not as normal but as absolutely necessary for what they considered to be just a standard of living.

Mr. Wildman: That is all true, and this bill does absolutely nothing for these people.

Hon. Mr. Drea: I appreciate very much the honourable member's vote of confidence. I thank him very much for saying it is all true. Unlike my critics, I do not put things forward here and say, "I don't know whether this is right or wrong, but it sounds interesting; so I will try to promote it." I do appreciate very much that vote of confidence.

What is really being said here is that, notwithstanding what is happening in that private sector, notwithstanding what is happening to large numbers of people and notwithstanding the very genuine fears and concerns about their future, those of us who are in the public sector are the elite, we will carry on business as usual, we will completely carry on just as though nothing else is happening out there. That is what is being argued, that is what is being said. If there ever was a double standard it emanates from the NDP benches.

Mr. Wildman: What a despicable argument.

Mr. Grande: You haven't heard a word that was said.

Hon. Mr. Drea: Unfortunately, my arguments tend to be described only the way they are when they suddenly hit home. When the deputy leader of the New Democratic Party started off the debate, I was fascinated; I was prepared to be here, because he said it would be a parliamentary battle like we have seldom seen before.

I thought, "I am going to sit here because surely, from those supposedly so preoccupied with the economy and the social order that they neglect other things, we will now see something of great and enormous significance. No more quiet acquiescence as in Ottawa. No more shrugs about a worldwide condition. None of the restraints a province really cannot do much about because it is national or continental."

I thought there would be a real thrust because, after all, if we are told there is to be a battle like battles seldom seen, expectations are aroused.

What has come forward? Virtually all of it must have been copied out of a book describing things that Mr. Roosevelt did in the United States or Mr. Bennett and Mr. King in Canada in 1929, 1931, 1932 or 1933. There is absolutely nothing new in it except: "Leave us alone. Leave the public sector alone." That might be an argument if everybody were in the public sector. I suppose, ideologically, that has some appeal, that might be the position one would want to take.

I was profoundly disturbed because the opponents show a very real intellectual chaos about this bill. That party believes in public ownership. Yet what is its prime target in the industrial field? The largest publicly owned corporation in the province: "Down with Hydro." I imagine it is very popular with the local union at Hydro. I can just see the contributions rolling in. What a way to job security. Vote NDP so it can cripple the expansion of Hydro. That is what it really

wants to do. It is saying that Hydro has expanded too much, roll back Hydro.

This really sounds like something that might be heard in the United States where it is a privately owned company so there are concerns about having to pick up its debentures, as one would in New York state with Niagara Mohawk or in some of the other states with the various components of the Edison corporation. What a way to stimulate the economy, slash Hydro.

Mr. Wildman: It's not jobs.

Hon. Mr. Drea: It is not jobs? Well I am looking at the Speaker and he is looking at me. Maybe the member should also look at the Speaker, because he can tell him how many jobs there are with Hydro. He can say how many are out there.

Mr. Wildman: It is not job intensive, it is capital intensive.

5 p.m.

Hon. Mr. Drea: The NDP used to want to expand Hydro and at one time, at least, they used to regard the nuclear expansion of Hydro as one of the cornerstones of Ontario's industrial policy. It was publicly owned and it was that generation from the public sector that was doing so much for Ontario industry.

Mr. Cooke: You are nuts.

Hon. Mr. Drea: Now who are the opponents of Hydro? It is not the bond houses that bought a 10 per cent coupon or a slice of the action on the debentures; not that national group they talked about, whatever its name is—and I do not want to get it confused because one of their people is the front for another one that uses somewhat the same type of wording but it is on another topic, we will come to that another day.

They are talking about a group of national industrialists. They are not opposing the expansion of Hydro. Indeed, it is those friendly boys from the country, the local NDP members, the local pro-labour members, who have been opposing. Part of the argument about this bill has been about a freeze on transit rates. That is redundant because when one is putting restraint on the wages, the municipally owned transit company will be able to restrain on its labour costs. If it has to pay more for fuel, because that is part of a national energy package, then surely it is not going to ask the municipal taxpayers to absorb the cost of the national energy program.

This is what restraint is all about. If one freezes and they have to pay more and more for gasoline, diesel oil or what have you, then who is going to pick up the bill when the local transit

company is in difficulty? If they are going to ask the province to do so, then they are asking us to raise the personal income tax or retail sales tax, and who pays that? The very same person who pays the property tax locally, one way or another.

They put together a very weak and very feeble package, one so weak and so feeble, incidentally, that I guarantee in the election on November 4 they will not be talking about it very much up there in the borough of York. My friends, that may be the true test.

There has been the particular attack here that this government is dividing workers, that we are trying to foment and to encourage some kind of proletarian divisiveness, when indeed it is those who are attacking, those who are treating most cavalierly a goodly number of people who work, whether they work with their hands or in offices or with machines in the private sector, who are creating the very divisiveness. It is emanating from that side because they are saying on the one hand the private sector has to make adjustments and those adjustments are dreadful; and on the other hand for those in the public sector, no, we will go on, we are not part of any attempt to be responsible, or any movement or program to introduce new ideas. They are actually trying to promote a double standard, one for those in the public sector and one for those who choose to work in industries where the ability to pay is so paramount that when there is no money left the operation must close.

We cannot have it both ways. We cannot have the impact of a very changed economy primarily affected by the world prices of oil—and I am not going to get into the merits of the world prices of oil, but we have an economy that was so preoccupied, that was trying to go on as usual notwithstanding the enormous impact upon its industry that literally began to run out of steam. It was trying to supply a market that had great expectations that everything would go on as usual including a normal amount of inflation. By virtue of the fact that costs were becoming higher and beginning to escalate, that normal amount of inflation spilled over, began to climb and indeed began to threaten every sector of society, public or private.

We have had partial attempts through a monetary policy to control it. I do not want to get into the merits of those except to say they have been with us for a considerable period of time. I suggest that no reasonable person expects a very sudden change in the monetary system that will bring back the good old days.

Again, there is the very legitimate concern about how long government can build a pyramid of deficit upon deficit. I am not one of those who believes that a balanced budget for its own sake is necessarily a good thing. It can be a good thing or it can be a bad thing. But one thing is guaranteed, stacking deficit upon deficit in geometric rather than arithmetical progression only spells disaster at the end of the line. It always has and it always will.

There is a time in any country when there must be a total participation in a national effort to meet a national problem. The federal government has moved. Whether they have moved far enough or whether they will be able to unravel some of the problems they have created, only the future will tell.

By the same token, there is an obligation upon the provinces as there is upon every individual. We want to preserve a social order where we are trying to meet needs in a most humanitarian manner, one which ensures dignity for old age and opportunity even where there is not much potential. Much of the money from my ministry is spent in providing opportunity where there is realistically not much potential. I happen to be one of those who feels that is a very important, significant and indeed a mandatory investment.

If there is to be a proper allocation, one that will provide opportunity and dignity and enhance the basic humanity of the province, then there has to be restraint right now.

There must be time for everyone to look at the very structure of our social programs because they are not structured. They came about during the great expansion in the 1960s and 1970s. They were expanded on almost an ad hoc basis; and that is fine but the world has changed. The world not only changed in 1975 and 1979, the world, as we knew it, changed on the night of June 28, when the federal Minister of Finance told us exactly what was going on. I do not think the world, as we knew it, is ever going to be the same again, so it is incumbent upon us now to discipline ourselves. In that self-discipline, because that is really what it is, and self-discipline always means giving up something, we must ensure there is a sensitivity, which I think has been demonstrated in this bill, and there is a foresightedness.

5:10 p.m.

We in this government have never said this was the answer. Of course, we do not think along compartmentalized lines like some. We have never said it was the total answer to the

problem. We have said it is something that must be done, and other things must and should be done. Mr. Speaker, there will be very significant things done on the floor of this Legislature by this government, but without this restraint all we would be doing is chasing the will-o'-the-wisp of inflation, spending money to chase after money, building up deficit after deficit and coming to the point where we would have to erode or perhaps even terminate many of what I like to think of as the essential humanitarian services in Ontario.

I also want to point out that there have been some allegations that the cabinet was indecisive in all of this.

Mr. T. P. Reid: You just could not make up your minds, that is all.

Hon. Mr. Drea: No. The cabinet was quite definite, and not in the month of September, and not necessarily only in the months of August and September either. What the cabinet of this province did was to allow the Treasurer to consider all the options to find the fairest approach towards accepting and meeting our responsibilities.

It did not make a sudden elephantine lurch into something because it appeared to be popular or easy to explain. Quite the opposite. It is very ironic that those who accuse us of that are exactly the people who are doing it in this debate. They are lurching from point to point. They are trying to grab on to something because it is Tuesday, and they will abandon it because it is Thursday. That is the final irony.

This is a good bill. It is a fair bill. I believe its results will be far more impressive than even the optimists forecast. The person on the street, that reasonable person on the street, sees why this has to be done and supports it because he or she knows it is necessary. It will bring about, along with a significant number of other approaches, a return to the stable society that not only everybody should want but everybody has come to believe is the reasonable expectation of his economic right.

Mr. T. P. Reid: Mr. Speaker, it is with a certain sadness that I rise to participate in this debate. It seems to me, given the topic and the seriousness of the problem we are all faced with, this has not been one of the more illuminating or edifying debates we have had.

My friends to the left have reacted in their usual way with a great deal of hyperbole and with complete ignorance of any kind of economic or financial responsibility. . . On its side

the government, after months of dithering and waiting for the public opinion polls to show them in three or four months consecutively that the people were in favour of such a program, has finally delivered forth after a long gestation period the bill we have before us.

I was disappointed—and I say to the Treasurer (Mr. F. S. Miller) that I appreciate the fact he is sitting through this debate. It seems to me there are good reasons for bringing in such legislation if one wants to argue them, but the Treasurer has not done that. There are good reasons against this kind of legislation, and my friends to the left in their knee-jerk reaction have not put them, either.

Mr. R. F. Johnston: That is not the case; I gave a really good speech.

Mr. T. P. Reid: I thought the member's speech on one small aspect of the problem, social welfare, was not bad; not approaching excellence, but not bad. But other than that I think the Treasurer really owed us as a House and as the public of the province more of an explanation, more of a setting of the scenario for the economic difficulties Ontario finds itself in today.

I was surprised, given that he has all these people in the Treasury and the staff he has, that he would make such a few short comments on the introduction of the bill and not deal with the various economic conditions that we have in Ontario. In particular, my friends to the left, displaying a somewhat naive view of economics, have been yelling about the interest rate. The interest rate, I would say to my friends, is simply a reflection of the underlying malaise that the province and the country are facing. The interest rate is not causing inflation; the high interest rate is a result of the problems we have and is the leading symptom or indicator of the problems that we in Canada and the world are facing. The interest rate is not the problem.

Mr. Cooke: This is your in-depth analysis?

Mr. T. P. Reid: If my friend would be quiet, he might possibly learn something.

Mr. Cooke: I listened to you for eight hours earlier this year and I did not learn a damn thing from what you said.

Mr. T. P. Reid: Obviously, you and some of your colleagues have learned how to use what I consider to be unacceptable language in this chamber and have not learned very much about economics.

I will allow myself to be diverted just for a minute, because Anthony Westell was on Cana-

dian Broadcasting Corp. radio yesterday, and he gave a very cogent and concise description of why both the New Democratic Party and labour were so irrelevant in their approach to the problems facing Ontario and Canada today. Did you hear that, George?

Hon. Mr. Ashe: No, but I want to hear it right now.

Mr. T. P. Reid: It is worth hearing. Basically, he said they had no understanding of economics; they had no understanding of finances; they had no understanding of the underlying causes of inflation; they refuse to accept that all of us have some role to play in fighting inflation and that wages, whether we like it or not—and I am not picking on the labour sector—contribute to inflation.

5:20 p.m.

When one looks at the industrial sector where wages are 60 to 70 per cent of the cost, and looks at Ontario where wages are 60 to 70 or 80 per cent of the cost, to say wages are not part of the problem is to be an ostrich—it being fitting to use the analogy my friends are fond of throwing across the floor.

I am not here today to say that wages are the cause or the only cause of inflation, but certainly we all have to admit that they are one of the components—

Mr. Cassidy: You are here to associate yourself with the Tory program. You are a Tory in disguise.

Hon. F. S. Miller: Certainly in disguise.

Interjections.

The Deputy Speaker: Speaking to the Speaker.

Mr. T. P. Reid: I thought with this beard I looked like a hippy radical Socialist myself, Mr. Speaker, but as we know appearances are deceiving. Let me go on. We have high interest rates for three or four—

Mr. Cassidy: I guess you think Pierre Trudeau knows all about the economy. Is that right?

Mr. T. P. Reid: I am sorry. I would be willing to let the member speak for a minute if he had anything to say.

The Deputy Speaker: We are having trouble with interjections and I am sure all members will respect the member who has the floor at present.

Mr. T. P. Reid: We have high inflation and high interest rates for a number of reasons. One reason is oil prices. In this country we are only now catching up to the rest of the world which accommodated itself to higher world energy

prices when the Organization of Petroleum Exporting Countries got its act together, if one wants to put it that way, in the early 1970s and drove up energy prices.

We in Canada and Ontario were insulated from those increases. As a result of the new energy program in Ottawa, and of the fact Ottawa insulated us from those higher costs earlier on in the 1970s and 1980s, we are now suffering that particular problem.

Another cause of the high interest rates is obviously high government spending, not only in this country where the federal government is running a deficit of \$20 billion, where over 20 per cent of its budget is going to pay for the interest on the national debt—and we have that problem in Ontario where 10.3 per cent is going to service our debt—but one of our largest problems is the \$100 billion deficit the United States is running this fiscal year.

That money has to come from somewhere and the governments either print it, which has been the easy way out in the past, or borrow it or use some combination of the two. Obviously, if one is going into the market to borrow these sums of money, supply and demand dictates the price is going to go up.

Interest is the price paid for the use of money. It is related to supply and demand. The demand has been high, partly because of governments at all levels getting into the market or requiring funds; so the price goes up.

But probably the most important reason basically, and they are all related and this is an oversimplification for my friends who have left, is that people who have money themselves, or who are the savers or the corporations that have money, are not lending it to the banks or other lenders on a long-term basis because of one fundamental reason: they are afraid of what inflation is going to do to that money if they lend it out over long periods of time.

The money that is available in the capital pools around the world is being put into short-term monetary instruments or is not being lent for more than one to three years. The bond market has suffered. The people who have money and the corporations and banks are saying, "If you want us to take a chance on a five, 10 or 20 year loan, you are going to have to pay us an awfully high premium to take that risk, because with the way inflation and the way the economy is going, we do not know whether the dollar we are lending you today will be worth two bits two or three years from now." That is one of the problems. It really got to the point,

for those people who are concerned about the high rate of interest, where the lenders who had lent for long periods of time were losing money.

In the early 1970s and even in the later 1970s it paid to borrow \$10,000 and to pay it back over the next five or 10 years because we were paying back in inflated dollars. The person who had lent the money for a long period of time was losing money because inflation had eaten up the profit he would have made and the real purchasing power of those funds had fallen.

That is one of the reasons we have high interest rates. Until people's expectations and fears of continuing high inflation come down that interest rate is not going to come down and stay down long enough to do our economy very much good.

One of the real problems with inflation is that of high and rising expectations. That is why I very reluctantly support this bill. I do not like the bill. I think it is inequitable and I do not think it is fair. This party called for an across-the-board private and public response to the problems that are facing us. We would like to see those people at the lower levels be notched higher and be given more than what amounts to a pitiful 6.7 per cent increase. We will move those amendments when the time comes.

At the same time, it is absolutely essential that we grapple with this problem in our society and that we bring down the rate of inflation. The only thing I really agree with, as far as the last budget of Allan MacEachen goes, is that inflation and jobs and job creation are tied together. If we have this continuing inflation we are not going to have companies and individuals investing, one, because they do not know what kind of return they can reasonably expect and, two, they can make more money on relatively short-term monetary instruments now without investing for a profit some time down the road. Money has been fleeing this country and will continue to do so as long as we have high inflation.

The other thing is, if we can bring down inflation in this province and in Canada we are all going to be better off. If we can get the inflation rate down by five or six per cent, which is forecast by some economists for 1983-84, that will mean everybody's real purchasing power will increase by six per cent. We all have a stake in this, each and every one of us. Most of us here are in reasonably good shape but the people who have really been suffering are the seniors on old age pensions and old age security programs. They have really been suffering and will

continue to suffer unless we can do something about this particular problem.

As usual, I find a certain amount of hypocrisy on the part of the government. They are not asking the civil servants to take a cut but are asking them not to have their increases go up as fast as they might. In the *Globe and Mail* of September 25, 1982, the headline on page 5 is, "Tories haven't started own cuts." The cabinet has not started paring its own programs. The only thing that we know the government has done is cancel the jet, that symbol of what one can only call a hypocritical government which brings in this kind of legislation but continues its own habits of conspicuous consumption.

5:30 p.m.

We are not supposed to attribute motives in this House, and I certainly do not want to do that. I would suggest, however, one of the fundamental reasons we have this bill before us is not because it is going to achieve whatever the Treasurer tells us—and he has a different excuse each and every day; we have already discussed the public opinion polls that indicated it would be popular and, therefore, we have it regardless—but because the Treasurer is really concerned. He has signals, from both New York and Montreal, that if he is not very careful the province is going to lose its triple-A credit rating.

That is really the Treasurer's main concern, because all his credibility hinges on that credit rating. He and his predecessors have used that as their main excuse and main line for years: "Regardless of what you people in the opposition think, we have our triple-A credit rating." They wave that around as if it were the be-all and end-all. Obviously, to the Treasurer it is, and for two reasons. If we lose that triple-A rating, obviously the cost of borrowing to the province, or specifically to Ontario Hydro, is going to go up. In addition, the Treasurer's career will sink just as fast as the credit rating might.

What is the government doing about restraining its own expenditures? We already know we are spending \$325 million this fiscal year on Suncor. We are spending another \$10 million on the Trillium fund. Some of the members may have seen in the *Globe and Mail* Malcolm Rowan's asinine and pathetic defence of that expenditure. It seems to me there are more Morley Rosenbergs around than the *Toronto Star* has uncovered. We have Kirk Foley in the Urban Transportation Development Corp. and we have Malcolm Rowan. I just do not know

what these people have on the government that they should be allowed the unrestrained and certainly unconstrained leeway they have with the public's money.

Mr. Speaker, I am just going over some of these things to remind you. I have already talked about Suncor, Minaki Lodge—

The Acting Speaker (Mr. Cousens): The honourable member is speaking to Bill 179.

Mr. T. P. Reid: I am talking about the bill—Minaki Lodge, public opinion polls, provincial land banks, foreign exchange losses, regional government costs and, I might add, the regional educational costs our Premier brought in, the costs of royal commissions—the one on the northern environment is still going, and we have spent something like \$2.2 million. Judy LaMarsh ate her way through about \$2.2 million for a royal commission that came up with 87 recommendations, all of which were outside the jurisdiction of the province. Government advertising might go down a little since there is no election year, but there are the policy secretariats, those toothless wonders, the executive jet—that we now know about—and so on.

The Acting Speaker: The member may continue to speak on Bill 179.

Mr. T. P. Reid: Yes, Mr. Speaker, I will do that. It is interesting that we should be here in 1982 talking about restraint and cutbacks. As a new member, sir, you might not be aware of a little report called the Report of the Special Program Review. This was produced by the then Treasurer, one W. Darcy McKeough. We all remember him. He was the last, best Treasurer we had in the province. It is very interesting that he tabled this report on November 20, 1975. It is almost a Bible.

If the government really wanted to restrain government expenditures, all it would have to do is go back to this. There are some fantastic ideas in it. I just want to reiterate one because the government keeps talking about the fact it never really gave any Edmonton commitment. I want to read into the record Darcy McKeough's comments about the Edmonton commitment. He said:

"I think it appropriate at this time to re-emphasize the government's intention to adhere to the terms of the Edmonton commitment. This involves a pledge on our part to increase our transfers to local authorities at the rate of growth of our revenues. This year we have substantially overpaid. . .

"This action will require some tough choices

at the local level. Wage and salary raises and other cost escalations will have to be found from efficiency improvements or increases in local taxes or from program revisions and deletions. I am convinced that belts can be tightened at the local level with no loss of essential services. That must be the responsibility of the locally elected representatives. The buck must stop at every level of government."

Does that not sound familiar? That was in 1975. But let me tell the members of some of the recommendations of that blue-collar or blue-ribbon group. It had Betty Kennedy, Maxwell Henderson, Robert Hurlburt, W. A. B. Anderson, Rendall Dick and James D. Fleck, a name that will bring shudders to some of us. They made hundreds of recommendations. Let me talk about a couple.

Here is 14.25 on page 400 of this report: "The Ontario Energy Corp. not be permitted to invest at this time in any further projects over and above the two projects with which it is currently involved, namely Syncrude and Polar Gas."

Here is the 14.26 recommendation: "The Ontario Energy Corp. not become an active operation but instead restrict itself to acting as a financing vehicle."

There are all kinds of recommendations in here that this government has ignored even though it made its usual great public relations fuss at the time when this document was tabled.

Is it not interesting there were three from the private sector and three people intimately involved with the operation of the provincial government? Mr. Anderson, the members will recall, was the deputy minister at Management Board. He has gone on to his reward in Ottawa. Rendall Dick, of course, we know, and Mr. Fleck was one of the architects of the minority Conservative government in 1975. All presumably were intelligent, knowledgeable people. Yet if one goes through this, one will find that almost none of these recommendations for restraint were followed.

Here we are today, because the government did not act on any of them from 1975 until now, trying presumably to fight inflation and high government spending using the civil service. That is not good enough. We have to have more than that as an economic program for Ontario.

I might say for some of those people who are dozing on the back benches over there that one of the recommendations was to fire all the parliamentary assistants. It is interesting that we know, and Morley Rosenberg amongst others

knows, that to the victors go the spoils—or in some cases, to the losers on the victor's side go the spoils, to rewrite that a little bit.

5:40 p.m.

You, of course, Mr. Speaker, perform a very productive and necessary function around here. But 62 out of 70 on the government side are drawing extra money. If I were Premier and if I were really serious about government restraint, I would look around beside me and behind me and say: "All right, we are going to start in our own backyard. We will show people we really mean business."

I think it was the Minister of Community and Social Services (Mr. Drea) who said, "Self-discipline means sacrifice, and it has to hurt a little." I am sure it hurt the Premier to give up the jet, but we on this side also know he gave up the jet only because the public opinion polls said it is the symbol of a profligate government at this time of restraint. I meant to ask the Minister of Transportation and Communications (Mr. Snow) if the Urban Transportation Development Corp. yacht club had space for a water bomber to land there.

The Acting Speaker: The honourable member is speaking to Bill 179, An Act respecting the Restraint of Compensation in the Public Sector.

Mr. T. P. Reid: I certainly am, Mr. Speaker. We are talking about restraint in the public service. How can the government ask somebody at \$15,000 to restrain himself to five per cent when the cabinet and 62 out of 70 of those people are waltzing around as if there is nothing happening in Ontario? I am sure the Treasurer knows better than anyone else that we really have the function here of setting an example.

The credibility of his whole program rests on whether or not the doctors are restricted to five per cent as well, because I am sure he realizes that most people are concerned about equity and the appearance of fairness. If we are in this inflationary fight together, if we are looking down the road for a better, stronger economic Ontario, then we all have to make those sacrifices.

It is not always the money that is important; it is the perception of our standing in the community and just where we stand on the economic ladder. There is a very good book I would recommend to the Treasurer, but perhaps he, like the Minister of Community and Social Services, does not read. It is called *The Zero-Sum Society*, and it is by an American economist Lester Thurow. In this book he uses the phrase that social scientists use, "relative depri-

vation." I want to read one paragraph for the edification of the Treasurer:

"What sociologists call relative deprivation is a very real feeling in a liberal democracy. Studies in this area indicate that individuals have a very strong feeling that economic benefits should be proportional to costs—that is, efforts, hardship, talents and the like—but that equals should be treated equally. Since there are various types of such costs in any situation and different rewards—income, esteem, status, power—the problem immediately arises as to how equals are defined and how proportionality is to be determined." And it goes on.

It is quite an interesting book, because we are dealing with the very things he talks about in the theory of a zero-sum society. Basically what he means by a zero-sum society is that there are always some losers and some winners. When a budget is brought in and the law changed, some people gain and some people lose. He uses the analogy of a sporting event in which there is always a winner and there is always a loser.

He goes on to say that in the 1980s and 1990s to the year 2000 it is going to be increasingly difficult to arrive at how we slice up the pie and who gets what. I tend to agree with that aspect of his thesis. I think it is obvious that for all of us, at whatever level we are, we have to take relatively less. But I hope we will ensure that those on the bottom end of the scale take a lesser amount of less than those at the higher level.

I was going to quote all the figures from the budget and the fact the budgetary estimates are already wrong, but I want to spend a very few minutes repeating that this bill should only be a very small part of an economic recovery program for the province. I hope we will make this bill fairer and more equitable before it passes into law.

I am disappointed this can only be a small part of what has to be a larger program. A couple of school boards, I think it was, are passing bylaws saying, "When this restraint period is over, we are going to catch up. We are going to get the 100 per cent or 200 per cent that we wanted to give ourselves this year."

Nobody can predict the future. If we extrapolate the trend, we cannot say we are in a restraint period for only a year or 15 months and after that all the shackles are off and we can go back to the unrestrained inflation we have seen in the past few years. We have serious economic problems that are not going to go away in a year, a year and a half or two years. We have serious

problems sectorially in our economy that are not going to be solved in a year or two. They are not going to go away.

If we do not get inflation under control and come up with the mechanism to keep it down, we really are going to destroy the fabric of this country, along with many others in the world. It bothers me that people are looking in such a short-term fashion at the problems we are trying to deal with here and expecting that they can catch up when all of this is over. That indicates the expectations of what we can afford in this economy are still much too high. Until those expectations come down to a more reasonable level, or one the economy can handle, we are not going to solve this very fundamental problem with which we are faced.

We wait anxiously for the government to come up with some kind of economic program. It seems to me we must make as good a case out of a bad situation as we can. At least we now have the opportunity to be building for when the economy will improve, when the economy of the United States might take off, when demand in the world does increase. We should be laying the groundwork now with an economic strategy for the province so that we will have things in place to take advantage of that. Perhaps the public opinion polls have not told my friends opposite how they can do that yet.

I join with them in saying to the federal government, let us work together on this situation. Let us have some direction. I say also to the Treasurer that his colleagues across this country at the provincial level have been less than unanimous as to what should be done. It is not all the federal government's fault. All of us across this country have to take some of the blame. As the manufacturing heartland of Canada and a province with a large share of the resources, we in Ontario have a duty and a responsibility to do something on our own if action is not forthcoming from the federal government.

5:50 p.m.

We talked in our budget replies about the sectoral problems, high technology, and development. I want only to leave one last thought with the Treasurer. The word "productivity" has been conspicuously absent from all his replies and, if I recall correctly, from his speech and explanation of the bill. No doubt that word will become overworked and will become a cliché in the coming months and years. Nevertheless it is something we have to deal with in our economy.

A few years ago the present Premier was on the verge of setting up a productivity council in Ontario. As I understand it, it was to be a tripartite body with government, management and labour represented. For some reason the Premier, perhaps as a result of the backlash from those who thought he was becoming too socialistic, backed off.

We do not even know for sure how to define productivity, but if we use the numbers used by the Organization of Economic Co-operation and Development, we see that Canada and Ontario have been falling farther and farther behind. At one point in 1979-80 our figure was one half that of some European countries.

This is one of the fundamental problems. It is related to the whole inflationary problem and yet the Treasurer has not addressed the situation at all. The government has not addressed the situation.

He used to be on public accounts. I do not think he was there when we talked about the civil service and merit increases. I am glad to see in the bill itself we are now restraining merit increases for those earning \$35,000. I think it was the Treasurer who finally mentioned merit increases in the House today in response to a question. What happened was that civil servants at the management level automatically got merit increases up to six per cent.

I think the Treasurer touched on that, the fact that they would get the same economic increase as members of the Ontario Public Service Employees Union, which would be eight or nine per cent, and then automatically without hardly anybody in this chamber or in the community at large knowing it, they would get this thing called a merit increase, up to an additional six per cent. We learned from the Civil Service Commission there were darned few who did not automatically get it.

How could one argue? Could one argue that one or the other was not worth it? The Civil Service Commission under the aegis of this government did no reporting on the people working for it. There was nothing on anybody's record to say he was a good, bad or indifferent employee. Nothing at all.

It is interesting that was one of the recommendations in the special program review, that all employee records be reviewed. The exact term slips my mind for the moment, but every year there was to be a review of the employee's work and that review would go in that employee's file.

Mr. Wrye: Performance appraisal.

Mr. T. P. Reid: Performance appraisal, thank you. That there be performance appraisals was recommended back in 1975. Only reluctantly and slowly is the government now getting into that.

But these are not the people at the lower end of the scale; these are the management groups who are already well paid. I am glad to see the Treasurer is sufficiently miffed that he is doing away with merit increases in the bill for those who earn more than \$35,000. The people in the unions do not get merit increases and I think they are entitled to more consideration than they are getting in this bill.

The special program review talks about setting up a system to increase and improve productivity within the civil service at the provincial level, in agencies, boards and commissions, and at the local level. Again, nothing has been done, for all these many years. The word has been conspicuously absent from any comments the Treasurer has made.

There are articles one can get from the library called "Government and Productivity" and "Inflation and the Productivity Decline." If any member does not think the two are related, I suggest he read those particular articles.

The level of the management people was \$35,000, so I presume anybody earning under \$35,000 will still get merit increases. We do not get merit increases and if there was a merit increase for honourable members based on performance, I am afraid very few of us would enjoy such an increase, particularly the cabinet.

Mr. Martel: What about the parliamentary assistants?

Mr. T. P. Reid: Regarding the parliamentary assistants, one cannot rate a performance when nothing is done at all.

We are concerned and waiting anxiously for the Treasurer to come forward with a program of his own to start the rebuilding and renewal of the Ontario economy. I hope to goodness he will not rise in his place or have his parliamentary assistant do so and say, "We have this great scheme, it is called the Board of Industrial Leadership and Development." It is called bilge, that is what it is called.

The second to last press release from bilge was that the BILD program was granting the northern regional library system a \$30,000 grant for the next year.

Mr. Piché: BILD has been good for Sudbury.

Mr. T. P. Reid: We are taking it in Rainy

River as well, but what has the regional library system really got to do with BILD?

Mr. Martel: Are they not building a new library?

Mr. T. P. Reid: They are not building a new library, not at all. They are so hard up for a justification for these programs, and this one in particular, that they have to send out their press releases to keep all those people busy. I wanted to speak at some length about all the public relations people, but I will save that for another time.

Mr. Wrye: Well, eight o'clock.

Mr. T. P. Reid: Would the members like me to come back?

[Applause].

Mr. T. P. Reid: Mr. Speaker, what can I do with that overwhelming support?

The Acting Speaker: I can only suggest that you watch the clock as we are close to the time.

Mr. T. P. Reid: Would you like me to adjourn the debate at this moment?

The Acting Speaker: May I suggest to the honourable member that, it being close to six of the clock, I will leave the chair and return at eight o'clock this evening.

The House recessed at 6 p.m.

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, September 28, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, September 28, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. T. P. Reid: Mr. Speaker, since I am not exactly sure where I left off at six o'clock, perhaps I should start over again.

Mr. Hodgson: Good idea.

Hon. F. S. Miller: Go ahead.

Mr. Ruston: It was so good you could run it through a couple of times.

Mr. T. P. Reid: With all that encouragement from over there, I was talking just before six o'clock about productivity and the need for the government to be dealing with it in some concrete and comprehensive way. The government looked at a productivity council some years ago, but we have heard nothing of it in this current debate. As I indicated, we need that to wrestle inflation to the ground here in Ontario, and we obviously need it as well in the civil service of Ontario.

We are graced tonight with the presence of the Chairman of Management Board (Mr. McCague), who has been telling the civil servants, the deputy ministers and everyone else who will listen, that the 1980s is a time when we are going to do more with less. I have yet to see a full-scale performance appraisal system set within the Civil Service Commission, and I see little being done within the government itself in terms of cutting down its own wasteful and unnecessary expenditures. If we are going to put restraints on the civil service lower end, so to speak, I think it is only fair we do that across the board.

I want to bring to the members' attention a question which I put on the Order Paper and which was replied to on June 24, 1982. It had to do with the communications officers, information officers and public relations officers within the government. The answer from the Chairman of Management Board is very instructive. I

draw attention to the number of people we have in those positions. I will tell in a few minutes what their salary levels are, but it is instructive to know that their main job, along with that of the executive assistants to the various cabinet ministers, seems to be to be plumping and PRing for their particular minister in the yet-unannounced leadership race.

It is interesting that we have a bill of such import dealing with such serious matters in Ontario, and yet when we on this side and the public at large look across to see what these very same cabinet ministers are doing, we are treated to the unedifying spectacle of half the cabinet falling over each other in their quest for the golden mantle which they expect the Premier (Mr. Davis) is going to cast aside in the near future.

I happened to be down at the Conservative convention a couple of weeks ago, since I was asked to appear on cable television to comment on the new economic policies of the Conservative government in the 1980s, along with the member for Windsor-Riverside (Mr. Cooke), representing the New Democratic Party. It was fortunate that we did not have much time to comment, because there was so little to comment on, although certain people who were present there made a bit of a splash in the newspaper because of their contributions.

What was very interesting was the spectacle of the minuet being danced by the Tory leadership hopefuls. The Minister of Health (Mr. Grossman) is in the right ministry, because I am sure he must have had about four extra hands grafted on for that particular weekend. If you want to see the fastest hands in the east, you should see the minister's. They were just going like this: "Hi, Mary. Hi, Suzy. Hi, Paul."

Mr. Speaker: I am not sure this has anything to do with the bill.

Mr. T. P. Reid: We are talking about restraint, Mr. Speaker, and how members of this cabinet cannot restrain themselves in the economy of the province let alone restrain their well-known political ambitions to replace a Premier who, quite frankly, seems not to be in the biggest rush to go anywhere.

As a matter of fact, I understand that as late as

Tuesday the Premier, in his own unctuous and biblical, way announced to those who would listen and those who had better listen that he was not about to leave or be pushed out by a certain person who might be mounted on a manure machine, or have a scalpel in his hand, or even by somebody driving a used car to bump him out of the way so that he could assume the mantle of leadership the Premier wears so well and with which he provides so little leadership.

So when we talk about restraint in this chamber, for most of those who sit opposite in the first two rows it is really restraint of their ambition and their egos for a while rather than the restraint of spending.

I was speaking about the government really being serious about the restraint program as evidenced by this bill. I indicated earlier that it might prove its restraint to this side of the House, to the civil servants and to the public at large by doing something about its own backyard. We would like to know, for instance, what all these parliamentary assistants really do. They certainly are well paid for what they do not do. We would like to know, for instance, what does the Minister without Portfolio (Mr. Eaton) do? Why does the minister need an executive assistant?

Mr. Cooke: Why does he need a portfolio?

Mr. T. P. Reid: Well, he needs a portfolio because that is the closest he is ever going to get to the cabinet. We have to soothe him a little bit.

Mr. Martel: We have got Phil champing at the bit there.

Mr. T. P. Reid: Well, we have the honourable member who only opens his mouth to change feet and who also has ambitions that way, I am sure. As a matter of fact, all those pros on the back bench there are looking a little lean and hungry these days. I heard the bears were invading the urban areas, but this is ridiculous.

Mr. Speaker: Now back to the bill.

Mr. T. P. Reid: Yes, Mr. Speaker. Before I was so rudely interrupted by my friend from the north, I was explaining about all the public relations officers the government has, and in a speech on my empire-building bill in a couple of weeks, which I know everyone in the chamber will look forward to, I will discourse at some greater length on this.

8:10 p.m.

The salary ranges are entitled PRO 1, PRO 2, PRO 3, AF 17 and so on. If you are an AF 1 in public relations, you are earning anywhere from

\$34,925 to \$43,175. One could look at the ministries by name. If one looks at the salaries being paid in the Ministry of Agriculture and Food, for instance, the secretarial salaries alone are \$86,000, the technical salaries are \$176,000, the photographer's salaries are \$41,000 and the manager-supervisors' salaries are \$210,000. We are talking about 10 people and seven supervisors there; I have not quite figured that one out. Then, of course, we have a director on top of the supervisors; those of us in the Legislature might be interested in knowing that the director's salary range is from \$43,775 to \$53,300 for being a public relations person for a government ministry.

The Ministry of Agriculture and Food is only one. It is interesting if one looks at this chart, if one looks at the answer here, one can almost tell who is ahead in the leadership sweepstakes; it is the Minister of Agriculture and Food (Mr. Timbrell). We all have another name for him, but he was very instructive at the Tory convention. I do not know whether he was trying to look rural, but he was standing there with his hands in his pockets. One could almost see the hay in his teeth. But he was not shaking hands like the old Minister of Health. He just seemed to be standing there waiting for the people to come to him.

Mr. Conway: What about Frank?

Mr. T. P. Reid: Well, the Treasurer (Mr. F. S. Miller) was very interesting. He had his makeup on for the television. I do not think Rogers Cable is a Treasury fan, because it did not do a thing for him with all the makeup its people had on him. His usual pallid complexion is an improvement over the way they had him made up. I was reminded of Vincent Price in one of those horror movies like *The Cask of Amontillado* or something. But that is another story.

Mr. Roy: Didn't he go to New York to take acting lessons?

Mr. Speaker: On with the bill, please.

Mr. T. P. Reid: Mr. Speaker, I am talking about the government's restraint program and how they are restraining themselves in terms of public relations and information officers within the government.

I will run over these figures quickly to give members an idea; these are for just one small segment of these people. The Ministry of Citizenship and Culture has one supervisor at \$34,550; the Ministry of Community and Social Services has three supervisors, for a total bill of \$105,625; the Ministry of Education has four

supervisor-managers for \$143,300; the Ministry of Energy has three supervisor-managers for \$106,725; the Ministry of the Environment has four supervisor-managers for \$136,500.

When we get to the Ministry of Health, obviously the Minister of Health is back in the race, because we see that he has six supervisor-managers for \$225,393.

The list goes on and on and on. What it means is that these people are being paid between \$35,000 and \$50,000. These are supervisor-managers. This is the biggest growth industry in Ontario. Do we really need all these people to make all those people look good? The answer obviously is yes, because they do not look good by themselves and they need all the help they can get.

It is beyond belief and beyond conscience that we should be asking people who are making \$15,000 and \$20,000 to take a five per cent increase because there is not enough money in the pot, when these people, whose main job is to be politically astute enough to get their minister's name mentioned—and all of us have seen some of the crapola they turn out—are making \$45,000 to \$50,000. I bet if the member for Middlesex (Mr. Eaton) knew those people were getting that much he would resign and become a public relations officer for Ontario.

There really is a large credibility gap between what this bill is trying to do and what the government itself is doing. We have the Treasurer and the Chairman of Management Board here, the two people who most closely control the funds of Ontario. We are going to wait to see where their commitment really is and where, to use the words of the Minister of Community and Social Services (Mr. Drea), they are going to produce the self-discipline so we can see it, and where they are going to start cutting down so there is seen to be real sacrifice on all parts.

This is a serious problem. Inflation, if we do not do something about it, is going to cause so many irreparable problems in the near future that what we are talking about today will seem like the equivalent of the Boer War as opposed to the Second World War. It is going to be that serious. I say again, as I said earlier, we have to appreciate as a country and as a province that we are all in this together. We are all to some extent responsible for inflation, because we all want more. We all have higher expectations, and there obviously is not enough pie to go around to satisfy all of them.

I referred earlier to The Zero-Sum Society by Lester Thurow. He makes the point as well that

there are needs and wants but that in our society the needs often become wants once the original needs are satisfied, and that our society is quite capable of producing needs or wants, whichever term is preferred, that will never be satiated. We have proved over and over again with advertising, television and all the rest of it that our needs will never be completely satisfied; I guess we have to appreciate that they never will or can be.

We in this party reluctantly support this bill. We are going to have a series of amendments. We believe this is only one small step in saying to the people of Ontario that we are all going to participate in this fight against inflation. What we want to see is some concrete evidence from the government side that they are serious and not just using the civil servants in this instance because the public opinion polls show this is a popular approach, but that they, through the Treasurer, the Chairman of Management Board and the Premier himself, are serious about restraint and bringing down—

Hon. Mr. McCague: You know different, Pat. You're being silly.

Mr. T. P. Reid: Pardon me?

Hon. Mr. McCague: You're being silly, and you know it.

Mr. Speaker: Proceed, please.

Mr. McClellan: George, are you saying he is being silly because he supports you?

Hon. Mr. McCague: He's being silly, and he knows it.

Mr. T. P. Reid: Mr. Speaker, the Chairman of Management Board says I am being silly. I do not understand why I am being silly.

Hon. Mr. McCague: I don't understand your statement either; so we are even.

Mr. T. P. Reid: I know the Chairman of Management Board is very well intentioned and has said a lot of smart things, but he still has not done anything about the civil servants in management positions. He has not done anything about implementing a performance appraisal that will make sense. If the Treasurer had not put the reins on them in this bill, applying it to anybody making more than \$35,000, what would he have done about it? He has been giving those civil servants in management positions automatic increases that nobody else in this province even knew about or would understand. But he is sitting there saying he is serious about restraint.

Hon. Mr. McCague: I did not say that.

Mr. T. P. Reid: He is not? He never did say he was serious about restraint? I agree with him. I am merely standing in my place. I have talked about a number of other areas, but surely to goodness the man who has one of the levers on the purse-strings and the Treasurer, if they are at all sincere, should be doing something about these particular items.

We have the Chairman of Management Board, who can do something about the actual restraints, and we have the Treasurer, who can do something about an actual economic recovery and development program. Surely it is not asking too much of them to have them pick up their obligations and for at least one of them to set aside his premiership ambitions and get along with the job.

8:20 p.m.

Mr. Philip: Mr. Speaker, in introducing this legislation the Treasurer stated that this is a program to get inflation under control. It was further stated that this should be done by avoiding draconian methods. As I listen to the various members of the Conservative-Liberal government speak, I also hear that somehow this is to be done as some kind of metaphysical way of creating jobs as a result.

No one can quarrel with the objectives of the unholy trinity of Trudeau, Davis and Peterson. But the questions that each of us must ask are very simply: Is this the best method of accomplishing these objectives? Are there alternatives that in a free and democratic society are more acceptable? Are there other solutions with fewer negative side effects that will none the less supply a better cure for the present problems we are facing in this province?

In the next hour or so, I want to outline some of the measures—

Hon. Mr. Gregory: Are you serious?

Mr. Philip: Or two or three hours, depending on how many interjections there are.

Interjections.

Mr. Speaker: Order.

Mr. Philip: I want to outline to you, Mr. Speaker, and through you to the Treasurer (Mr. F. S. Miller), exactly some of the policies that I, as our party's Housing critic, feel can be addressed to one of the most inflationary factors in our society here in Ontario, namely, the problem of affordable housing.

It has already been pointed out by other speakers from our party that the rollback will mean a loss of about \$1,084 for the average clerical worker. Wednesday night in my riding

office I met with one of those average clerical workers. She is a single parent trying to support three teen-age sons and one younger child. She said that she would go crazy if she did not work, that she enjoyed her job and that she enjoyed being out there contributing in the work place. She stated that she felt she was contributing to society in her work at Humber College. But she wondered how on her very small wage, which is being frozen, she could pay the elaborate amount of money that is being charged for her rent by the Ontario Housing Corp.

She said to me, "I would be financially better off, perhaps, if I did not work." She said she has always worked since she first immigrated to Canada, but she cannot afford to send her children to college. She asked: "What am I going to tell my son next year? He is getting very high marks at the collegiate. His friends are going on to university. But I, as a single parent with three sons to support, simply cannot afford to give him those extras and send him on to university even though his marks and intelligence merit it."

What she was saying is what the working poor and the lower-middle class in Ontario are saying over and over again, namely, "The moment we try to better ourselves, this government hits us again and again." I explained to her that we in the New Democratic Party had forced an inquiry into OHC. I told her about the proposals made by our committee that would have made her living accommodation more humane, reduced government costs and made OHC more accountable. Then I had to tell her that this very same government had used its majority to squash, to defeat that report made by an all-party committee. The report happened to be tabled after March 19.

A few minutes later, I had an OHC resident in my office. He was worried about eviction because he was on strike and could not pay his rent. He said: "I had \$500 in the bank before the strike. I have used it now to pay my rent, but on \$60 a week strike pay I simply cannot pay my rent any longer. I need this money to feed my family."

I said that I would try to get OHC to hold off the eviction notice but that he would eventually have to pay the full amount of his rent even though he was not earning any substantial income while on strike.

I also had to tell him that if he happened to improve his income as a result of that strike, he would have to pay higher rent and this is a form of double jeopardy. Unfortunately, even though that problem was dealt with in our committee

report on OHC, the government decided to squash that as well.

I will not go through all the proposals made by the standing committee on administration of justice in dealing with OHC. But I want to deal with a few of them, because I think those directly related to inflation and housing costs have a certain amount of truth that should be looked at by the Treasurer, who has come up with a simplistic method that he claims is attacking inflation.

We advised that the Ministry of Municipal Affairs and Housing should revise its annual housing demand survey in co-operation with local housing authorities in municipalities and that it should directly address the issue of rental housing affordability. We proposed that the ministry of housing develop a co-ordinated master list measuring the total demand for low-and moderate-income assisted housing, and that where severe shortages exist, it should act on a variety of housing programs to provide the necessary housing.

We proposed that the Ministry of Municipal Affairs and Housing conduct a study on the supply and funding of temporary shelters and hostels. My colleague the member for Scarborough West (Mr. R. F. Johnston) has dealt with the very sad situation of single people, single-nesters, who have been forced out of Ontario Housing into the private rental market and who have no place to live in this city.

The OHC, we said, should assume a greater role in the provision of emergency housing. But the minister refused to listen. We also said that the Ministry of Municipal Affairs and Housing should support a variety of public and public-assisted housing programs but to give preference to nonprofit and co-operative housing and OHC owned and operated housing. We said the current rent supplement program just was not working.

We further stated that the Ministry of Municipal Affairs and Housing should provide funding where requested for a greater percentage of rent-geared-to-income units within co-operative and nonprofit housing projects.

We talked about how OHC should embark on a program of small-scale, low- and medium-density public housing construction within Ontario municipalities now facing severe shortages of affordable rental accommodation. We talked about the Ministry of Municipal Affairs and Housing's need to embark upon an active program of purchasing and rehabilitating existing, well-located buildings to provide housing.

In addition to that, as the Speaker will well know, our report in its 119 recommendations showed ways in which this publicly owned corporation could operate more cost-efficiently. There were concrete and specific proposals, but the Ministry of Municipal Affairs and Housing and the housing authorities have refused to implement them.

So when this government talks about saving money, about cutting back on costs, one has to ask why it has not taken action on the proposals that have been made, in this instance by the standing committee on administration of justice but many times by committees of this Legislature which have spent hours and received expert advice on the problems that came before them.

For a rigid, ideological reason this Treasurer and this cabinet cannot do anything that flies in the face of their ideology, no matter how pragmatic, no matter how sensible, no matter how much economic sense these proposals may make. Even some of their own back-bench members of these committees have been persuaded of the soundness of some of the advice from experts and ordinary people who have come before the committees.

8:30 p.m.

In a sense, the two families living in Ontario Housing that I have spoken about are at least somewhat better off than the people who line up at my riding office, and I am sure at the offices of all the members from the Mississauga, Metro, Durham and urban areas, asking for Ontario Housing, asking for assistance in finding affordable housing. At least the people I have just spoken of have housing. The family I described publicly this winter that I was trying to get into Ontario Housing was in a different situation. They lived in a van in Mississauga in January, February and March. Luckily, a store owner took pity on them and supplied them with a hydro cable and a heater so they did not have to constantly run the van and burn up valuable gasoline as the man went day after day to try to find a job.

Families in need must wait, we are told, for an average of eight months for accommodation in Metro Toronto, in order to get Ontario Housing or some form of geared-to-income housing. This is testimony to the abominable failure of this government to deal with the housing crisis in the major urban areas. Between April 1 and July 31 of this year, the housing authorities' waiting list for family housing grew from 5,300 to 6,001 requests for housing. This is not a true reflection

of the need for assisted housing. As MPPs will tell us, countless numbers of people tell them, "We went down to the housing authority and they discouraged us from even applying because they told us it would take so long to provide accommodation."

Grace Morris, the director of the Rooms Registry Service Open Door Centre that operates out of All Saints' Church in downtown Toronto, has stated that housing in this city is at a crisis point. She has been helping the poor find accommodation since 1972 and she says the housing squeeze is so bad now that some agencies have given up in frustration. She says: "We still do a certain amount of business, but nothing compared to what we used to be able to do. There just is no housing out there."

The Social Planning Council of Metropolitan Toronto in a report published in April stated, "The total supply of affordable housing now falls short in Metro by at least 20,000 units and this situation will probably deteriorate during the next 12 months." According to Albert Rose, who, besides heading the Metropolitan Toronto Housing Authority, is an economist and professor of social work at the University of Toronto, "Politicians are not pressing the issue because it is not a popular one." He said: "Nobody is screaming to get back into this game, because people have different feelings towards others in need. To add to the problem, the profile of the needy is no longer the image of the hard-working Canadian family down on its luck that won popular sympathy in the past."

Now, Mr. Rose estimates, and his figures are supported by Jean O'Bright, an information officer with the Ministry of Municipal Affairs and Housing, that between 60 and 70 per cent of families applying to live in public housing in Ontario are single-parent families headed by a woman, who is often receiving welfare payments, is a newcomer to the country and quite often is a member of a visible minority. What Mr. Rose is saying is that because there is not public support for these minority groups that seek housing, this government is not motivated to act. That is sad because this government has a responsibility to act on behalf of all of the people, be they newcomers or residents here for generations. To govern by polls, as this government does, is not only wrong but will create more problems in the future and will add to the violence in our society. In the long run it is short-sighted, even from the government's point of view.

The problem we are talking about here is not

just Metropolitan Toronto. Whenever I pick up any of the newspapers from across the province I pick up stories like the one I found in the *Ottawa Citizen*:

"Tamara and Jennifer huddled together Wednesday evening, wet and scared, while thunder boomed and lightning filled the skies. Although they crouched in the small pup tent along with their father, Barry Woodcock, it was not a typical family camping trip. Their campsite was a parking lot behind the Ottawa housing authority at 220 Laurier Avenue. The tent was their home.

"As the rain streamed down, Barry Woodcock said that he felt he was in a catch-22 situation. He was told by the housing authority that he could not apply for emergency housing without putting an address on the application form, yet he cannot afford housing in the first place."

This is typical of the stories I hear as our party's Housing critic and that MPPs across the province are hearing. I have families come to me and say, "We have to get into Ontario Housing but we cannot. We have no place to stay tonight." In some cases—and I have run into a number of these—they say, "If I desert my family, my wife and kids may get into a women's shelter, and I will spend the evenings in bus terminals and coffee shops," and so forth. That is happening in this very city.

The tragedy also is that even if these people were able to afford accommodation in the private market, and many of them cannot, there are very few vacancies. If we look at the vacancy rate for April 1981 and compare it with April 1982, which is the latest figure we have, we see that in Hamilton in 1981 it was 1.1, today it is 0.6; Kitchener 1.7, in April 1982, 1.4; London 3.9 down to 2.6; Oshawa 1.3 down to 0.2, and I understand there are more recent figures showing it is considerably lower than that. Ottawa was 2.4 down to 0.4; St. Catharines-Niagara 1.9 down to 1.3; Sudbury 2 per cent down to 0.7; Thunder Bay 2 down to 1.6; Toronto, a slight improvement, 0.4 per cent up to 0.6 per cent.

But even these figures do not tell the true story. The kind of accommodation that is being produced in this city is luxury accommodation. The middle class cannot afford the rent in those buildings, let alone the poor.

In May 1982 the Minister of Housing and Municipal Affairs (Mr. Bennett) with much fanfare announced two projects—"inno-rent" and "renthab." Half a year later no funds have been allocated for either of these programs.

One must ask, why the delay? Why announce it so far in advance if they did not have any concrete and specific plans they could implement? Why raise people's expectations when there is nothing to deliver? The minister promised 3,000 to 6,000 rental units under the inno-rent program. Not one has been built.

While the government talks about this legislation being a tool against inflation, it does absolutely nothing to reduce the cost of the most essential commodities in everyday life, namely housing.

8:40 p.m.

As our party's Housing critic, I was expecting the Minister of Consumer and Commercial Relations (Mr. Elgie), the minister responsible for rent review, to deal with the problems of rising rent in this province. One would expect that as minister responsible for this farcical administrative price restraint review program, at least he would have had rents as part of that review program; but it is not included. It is specifically exempted. Instead, he has done no such thing. He has excluded it in an arbitrary way and preached to us when we asked him why rents were not covered by this.

According to the Ministry of Municipal Affairs and Housing officials, whom we contacted only a few months ago for an estimate, there are approximately 915,000 controlled and 190,000 uncontrolled units. Of the latter, the post-1975 exemption from rent review applies to about 72,000 which were constructed or occupied after January 1, 1976, and 11,000 are excluded because they are called luxury accommodation. These figures do not tell the real story.

In my riding, for example, a very large percentage of all rental accommodation is exempt. It is not exempt because it is luxury, but because our area happens to have a lot of new construction or post-1975 construction. That is where the vacant land was. The members from Mississauga and from Scarborough will have similar kinds of situations. A person who, for reasons of work or health, wants to live in that community has very little choice because almost all, if not all, private rental accommodation is exempt from rent review.

I have just had a visit from some residents at 236 Albion Road in Rexdale. They have received rent increases of from 14 to 30 per cent. They asked me what they could do about it. I said, "Very little. You are exempt from rent review."

In 1977, our party asked that new buildings be covered under rent review and we moved a motion in committee. The Liberals voted with

the Conservatives to exempt them. More recently, when a bill on a similar matter that I had introduced came up for debate in this House, the Conservatives, not wanting to take a chance on embarrassing the member for St. George (Ms. Fish), which is a riding with many apartment buildings, decided to block the bill rather than have a democratic vote because some of their members out of sheer embarrassment would either have had to vote or take a walk during the vote.

In recent correspondence with the Minister of Consumer and Commercial Relations (Mr. Elgie), I asked him to take action with his federal counterparts on what was happening in the limited-dividend buildings. Limited-dividend buildings that are federally funded are supposed to be subject to rent control. At least they use that word, but the kind of control they have is the most secretive kind of control. One would think they were under the control of the Ombudsman or something like that and were something that could not really be revealed to the public.

Mr. and Mrs. Clive Henry were hit with a 28 per cent increase last September when the rent on their three-bedroom apartment went up by \$103 from \$372 to \$475. Mr. and Mrs. Simpson faced an increase of 30 per cent from the beginning of June 1982 when their three-bedroom cost them another \$118.

These are buildings that are subsidized by the taxpayers. These are buildings under the so-called rent review program of the federal Liberal government, but they will not allow a public hearing. They will not allow me or the tenants to look at the books. Indeed, when my assistant called and said, "We want to know what kind of control program you have and how much the mortgages are," she was told by an official at Canada Mortgage and Housing Corp.: "Don't rock the boat. Things are a little shaky there. Do not stir any waves."

I continued to stir the waves and it was very interesting. The Minister of Consumer and Commercial Relations (Mr. Elgie) refused to do anything, let alone write to his federal counterpart and ask what the heck was going on in those buildings, but after making enough noise about it and after it hit the newspapers, suddenly all of the people in those buildings received reductions to a 14 per cent increase in rent. Why should a 30 per cent increase received one month be suddenly reduced to 14 per cent? If something very sneaky and secretive is not happening in those projects financed by Canada

Mortgage and Housing Corp., I do not know what is.

The Minister of Consumer and Commercial Relations, who is responsible for that, at least should have taken time to deal with his federal counterpart and say, "We may have goofed in not having those buildings under rent review, but you have some forum that you call rent control. At least open it up. Since you say you are controlling it, why not have public hearings? Why hide everything from the public?"

Why cannot tenants come forward and look at the landlord's books? Why can they not look the landlord or his representative in the eye and say, "Your estimates are too high. You did not do the kind of work you said you were doing and we can challenge you on your receipts." Instead, the federal department responsible for housing is even more reactionary and secretive than this government.

Furthermore, those who are covered by rent review are not being protected from inflation by this government with regard to their rents.

The Acting Speaker (Mr. Cousens): The honourable member will tie his remarks in to Bill 179.

Mr. Philip: I am, Mr. Speaker. If you have been listening, you clearly know that I have been dealing with the topic of inflation. In his opening remarks, the minister said that this was a bill to deal with the problem of inflation. I am dealing with a very specific area of it, namely, the inflation in rental and housing accommodation and that is what I will be dealing with for the rest of the evening during my talk. I am sure you will find it quite interesting as you listen.

Hon. Mr. Gregory: Rent review is not covered in the bill.

Hon. F. S. Miller: The bill does not cover rent review at all.

Mr. Wildman: That is the whole point.

The Acting Speaker: All I ask is that the member's remarks tie in to Bill 179.

Mr. Philip: That is fine, Mr. Speaker. I would not expect the member for Mississauga East (Mr. Gregory) to understand about inflation as he travels around in his government limousine. Perhaps some of his constituents can tell him something about it because there are even more rental buildings in his area than in mine. He might learn something if he just listens a bit.

If we look at the average rent increases granted under rent review in the year 1981-82, we see that the figures are extremely high. In Hamilton, for example, 17.2 per cent was request-

ed, 13.36 granted; Ottawa, 19.37 requested, 16.88 granted; Sudbury, 18.72 requested, 15.89 granted; Thunder Bay, 17.33 requested, 11.68 granted; Windsor, 24.25 requested, 17.71 granted; Toronto, 21.08 requested, 13.13 granted; Etobicoke and York, 18.02 requested, 14 granted. I could go on and on down the list.

That only tells part of the story. As any of us who have represented tenants before the rent review board know, there are numerous cases of 20, 30, 35, 40 and even 50 per cent rent increases being granted by the rent review board. A short time ago, a community legal worker for the Metro tenants' legal services wrote the following:

"The landlord of 40 Earl Street in downtown Toronto has applied to the Residential Tenancy Commission for rental increases ranging between 35 and 105 per cent. The landlord of the premises is a company known as 495929 Ontario Ltd. However, after requests from both the Residential Tenancy Commission and the tenants, the landlord has refused to disclose the principal owners of the corporation.

8:50 p.m.

"Instead, the company's solicitor, Mr. Sam Nash, has hidden the corporation behind a veil of secrecy by refusing to disclose their identities. This action has led tenants to suspect something improper in the landlord's motive in requesting the increase. The previous landlord has gone bankrupt in 1981 after the tenants had won \$11,700 in refunds illegally charged in rents.

"At the hearing of the landlord's application on July 8 at 7 p.m. on the third floor of 77 Bloor Street West, the tenants are demanding that the landlord's application for rent increases be thrown out by the commissioner. This is the first time that any such request was made."

The most recent example of what is happening in the rental market is the announcement by Cadillac Fairview Corp. Ltd. that it has sold a substantial chunk of its \$270-million portfolio of 10,931 units for a forecast profit of \$50 million to \$100 million after taxes and expenses have been paid.

There is certainly no restraint, cutback, suffering or sharing the misery, as the Treasurer would say, by Cadillac Fairview. With \$50 million to \$100 million after taxes and expenses, one is not doing too badly. I would think its board of directors could take a couple of trips to the casinos in the Bahamas on that amount of money.

The important question is not that Cadillac Fairview, which by and large has been a fairly

responsible landlord compared to others we have been dealing with, has made a profit but rather that Greymac Mortgage Corp. is the buyer of record. Some in the industry are quoted as stating the mortgage company is really acting for other interests, most probably from offshore.

One would think the purchase of a major apartment holding by offshore investments, indeed the speculation of offshore interest, might be of concern to the Minister of Consumer and Commercial Relations. Indeed, it might occur to him that this kind of speculation, particularly by out-of-province money, may be having some effect on the inflation in rental accommodation in this city. The minister and his predecessor before him have refused to look at this question.

This party tabled a resolution in this Legislature that a study be undertaken of speculation and its effects on rising rents and the influence of offshore speculation in particular on rising rents. The Conservatives voted against it and refused to deal with the problem.

We in the New Democratic Party tabled a series of amendments to the Landlord and Tenant Act and to the Residential Tenancies Act over the last year and a half. These are proposals that, if implemented, would fight inflation at little or no cost to the taxpayers. One would think this would be of interest to the Treasurer and to the Minister of Consumer and Commercial Relations. One bill gives authority to the commission to order a reduction of rent where a landlord's financing costs may have gone down.

We are seeing examples of this. A few months ago mortgages were coming in at the 20 per cent mark. We are now finding as we get closer to the US congressional elections that the interest rates are dropping.

One would think it would occur to this minister that if there is a system, as there is, of a landlord increasing and passing on his financial cost to the tenants under the rent review act, if those financing costs go down and most of these landlords have taken out one-year or even six-month mortgages at the 20 per cent level, there would be an automatic review and the landlord would be told: "Fine. We gave you a rent increase of 30 per cent last year because of high finance costs. Now you have a saving because the interest rates have come down a little bit. You will be ordered to reduce your rents." But the minister of course does not seem to be interested.

Why should a policy so logical, so perfectly in keeping with the spirit of rent review, be ignored? The only answer one can see is that the minister is not interested in inflation costs that are passed on to the tenants.

Landlords who have obtained large increases because of the Trudeau interest-rate policy will have windfall profits in years to come if by any chance interest rates do come down. One can expect that they should come down, according to some economists, about January or February.

We also asked that the Residential Tenancy Commission be authorized to pay a tenant's costs when he has lost wages and incurred costs by challenging illegal rent increases and illegal activities by landlords. The government decided they would not go along with that. It is okay, under the rent review system we have, for a landlord to pass on his costs, including consulting fees, to the tenants. But it is not okay for tenants to pass on costs, even in instances in which they are proving that the landlord has acted in an illegal or nonlegal manner.

We also asked that the landlord be required to produce receipts for expenditures when a tenant or tenant representative requests him to do so. This would apply to any expenditure over \$100. Miscellaneous expenditures under \$100 would not exceed five per cent of the total cost a landlord is claiming. If they do, receipts would have to be produced.

For many years tenants have complained that certain landlords have padded and exaggerated their expenses at rent review. This bill would have given tenants a systematic manner of checking on this. There would be no extra cost to the rent review board, no extra cost to the taxpayers, simply a manner of ensuring that the body mandated to do certain things can come to fair conclusions. But this government refused to do that.

We also asked the Residential Tenancy Commission to investigate whether or not repairs projected by a landlord in justification of a rent increase have actually been carried out. Landlords have used inflated projections of major renovations and then have not carried them out or had only part of the job done, a cosmetic job rather than a real job. We wanted to allow the commission to call another hearing to provide an opportunity for an investigation where there was some suspicion this was being done.

At a rent review hearing the other day I said to the landlord, "What proof do we have that these projected major repairs in the plumbing system will be done?" He said, "Well, you have

to take my word for it." I said, "But we have taken your word before and out of four major plumbing jobs you projected last year, only one was done." He said, "Well, you have proof now that I will do it." And I said, "What is the proof?"

He came out with the city of North York work order requiring him to do it. I said, "Well, it is fairly clear then that you intend to do it when you are taken to court, but is it not true that your building is up for sale again?" He said, "I refuse to give that information." I said, "Is it not true that in Vancouver there is a real estate agent trying to sell your building?" He said, "I refuse to give that information."

We know what will happen. He will sell the building and the next landlord will be back asking for the same money to repair the same lifters, the same plumbing system, so those people above the fifth floor can have a warm bath or warm shower when they get up in the morning or before they go to bed at night, something they are paying for. To his credit, the rent review officer said, "We really have no proof you are going to do it, and in looking at the way in which you finance this project it is fairly clear to me that you are just speculating in the building and that you plan to sell it. I have no proof you are not going to sell it without the repairs being done."

9 p.m.

But what would have happened if I had not been there and if we had not had one of the better, more-responsive rent review officers? The fact is we cannot guarantee a uniformity of decision-making, and therefore we have to make rules that will stand up and rules that we can go by in acting on behalf of tenants.

We also asked that a landlord who obtains vacant possession of a rental unit for the purpose of making repairs or renovations be required to apply for approval of the new rent he would be allowed to charge. We said this would prevent landlords from evicting tenants as a way of getting out from under rent review, which is what they are doing.

We said it is reasonable, if a landlord wants to repair and improve a building, to ask for a rent increase, but that he should be required to produce his bills after those improvements have been done and that the new rent should be set taking into account the expenditures he has made. This would stop the practice of cosmetic improvements in buildings that are used merely as a way of getting out from under rent review. Again the government has failed to deal with

this very specific problem and the inflationary effects it has.

We also asked that the Residential Tenancy Commission be allowed the power to make an independent inquiry into rents being charged by a landlord. Certain landlords have a reputation for raising rents illegally. The rent review board, the people responsible for monitoring rent review, know who these landlords are. When I say to the rent review officers, "Here we have an example of an illegal rent increase by this company," they will say to me, "Oh yes, he is a guy who does it all the time."

I am told by rent review officers, and indeed by Mr. Green, who is a very able public employee—he is head of the rent review office for Etobicoke and York—that they catch maybe 10 per cent. This is because under the present legislation it is only a tenant who can initiate the inquiry and lay a charge that he has had an illegal rent increase. Most tenants are either afraid to do it or know perfectly well they cannot find out what the previous rent was unless it happens to have gone before rent review. That means only 20 per cent of all buildings, then, can be checked up on.

In the old Residential Tenancies Act, which was declared improper and unacceptable by the courts, there were certain sections that if proclaimed now would solve this problem. One way of solving the problem is the method I have just described; that is to give the rent review board the power to initiate its own investigation when there are suspicions of illegal rent increases.

The other is simply to set up what the government itself decided to do, namely a rent registry system. One would think the Attorney General (Mr. McMurtry) and the Minister of Consumer and Commercial Relations, if they really believe in the objectives set out by the Treasurer, would at least have said: "This part of the bill is in no way contested by the courts. We will proclaim this section, or we will introduce a new bill that will deal with this section in the bill that is perfectly acceptable."

But they have not done that. Instead of responding to the legitimate concerns of tenants to the artificially inflated rents, instead of fighting inflation by plugging the loopholes, this government has created pseudo-scientific studies. The first one to come along was Rent Control and Options for Decontrol in Ontario, turned out by the Ontario Economic Council. A more recent one and much more blatant—and I can understand why it was released in the summer when the House was not in session—is called

The Impact of Rent Review on Rental Housing in Ontario. This is a staff research report turned out by the Ministry of Housing.

If one looks at that one sees what a sham it is. One can see that the government is using taxpayers' money to create this pseudo-scientific study that has more holes in it than some of the housing it refuses to repair. I can understand why the report was released after the Legislature was adjourned and without the benefit of a press conference. If I had a document that was this shoddy, that stood up to as little scrutiny as this report does, I would want to release it during the summer months when the House was not in session. I would want to release it without a press release. I would certainly want to give it out with as little fanfare as possible. Nevertheless, Conservatives and other opponents of rent review will attempt to use the unsubstantiated claims in this report.

One of the greatest disappointments in the report is what it does not contain. The ministry commissioned Price Waterhouse Ltd. to survey landlords. The questionnaire contained a comprehensive section on financing. Financing is what we are dealing with, is it not? Financing high interest rates was part of the commission of this report. It requested details of mortgages, renewals and other factors which identify the impact on rental housing costs of the Liberal policy of high interest rates. Even though only 35 per cent of landlords responded fully to the survey, the presentation of the financial data in summary might have given us some insight into what was happening in the rental market and what was inflating it. It could have given some of the reasons for it and where we could move to stop this kind of inflation.

The report nowhere outlines this information, except to note that the ratio of debts to building value exceeded 100 per cent for two landlords. Big deal. They found two landlords who had a large ratio of debts to building value. It does not tell us why there was that debt. It does not tell us about the causes, nor does it tell us about the factor that interest rates play in inflating the cost of housing under buildings that are under rent review. This failure to address the fundamental problem of high interest rates marks the entire report.

Mr. Conway: I want to hear Piché.

Mr. Piché: As soon as he is finished.

Mr. Roy: You are next.

The Acting Speaker (Mr. Robinson): Order.

The member for Etobicoke has the floor. Please continue.

Mr. Philip: In keeping with the Conservative government's failure to press vigorously for Ottawa to reverse its damaging policy of high-cost money, those who compiled the rent review study consistently understate the role played by interest rates. Furthermore, they make the arbitrary assumption that half the cost to government of rental construction problems should be attributed to rent review but they offer no proof. It is a matter of faith.

The Alberta experience showed the contrary—that when rent controls were taken off, apartment starts did not increase. As a matter of fact they hit a 13-year low. The silly arguments that somehow construction starts are related to rent review is the same lie that is being told over and over again by Paul Cosgrove and his colleagues in Ottawa and is repeated by this provincial government in the ministry of housing report.

All one can say is that at least the provincial government seems to learn all the bad things from the federal Liberal Party. Anyone who represents tenants before a rent review board, as I do, knows full well that financing costs are larger than any other cost item when landlords make their cases for increased rents. In fact, they average about 60 per cent of the total cost.

It is because interest rates remain so high that more and more landlords are seeking increases above the guideline level of six per cent. For the year ended March 31, 1982, requests for higher-than-guideline rent increases were lodged in respect to 18 per cent of the controlled units in the province, three times as many as went before rent review in 1980 and 1981.

9:10 p.m.

The fundamental defect in the report the Ministry of Municipal Affairs and Housing tabled is matched by other serious flaws. Since barely more than a third of the landlords surveyed responded fully, it is doubtful the data collected are representative of the rental market as a whole.

Furthermore, the fact the surveys were conducted only in Toronto and London means that experience in other communities has not been directly assessed. Finally, the elaborately compiled calculation of direct and especially indirect financial costs of rent review uses questionable assumptions to inflate the costs and to reduce the benefits.

Another defect of the study is its simplistic presentation of the shelter allowances as being a

more effective means of helping the poorest tenants. Not only do the authors of the report fail to understand the importance of rent review as a means of protecting the housing of hundreds of thousands of middle-income as well as lower-income tenants, but they ignore the experience elsewhere of shelter allowances.

This was reviewed in 1981 by the Ontario Legislature's standing committee on administration of justice in the course of its study on Ontario Housing Corp. The report of that all-party committee found that shelter allowances were financially or fiscally irresponsible. Not only do they constitute the most expensive way of housing people in the long term, but they cannot be relied on to provide shelter in the long term either.

As soon as the rental markets become tight and there is upward pressure on rents, landlords are refusing to renew rental agreements. We are seeing this happen in this province. While shelter allowances can play an emergency role in providing homeless people with places to live, it makes more sense to provide an adequate stock of housing. It makes more sense to increase the co-op and nonprofit sector. This would create jobs as well as housing more people.

The report from the Ministry of Housing refers frequently to the fact that rent review in Ontario has created two classes of tenants and landlords. That is quite true. The solution is not to remove and dismantle rent review, as they are suggesting, but rather to include those in the private sector that are not already included; that is to say buildings occupied after January 1976 should be under rent review, not excluded as at present.

We in the New Democratic Party agree that all tenants and all landlords should be treated in the same way. But we should not, as the report quite correctly states, have two classes of landlords and tenants. Surely the way to do that is to remove the exemption, not bring everybody to the highly inflated level that would happen if rent review were to be removed completely.

We recognize the right of the landlord to set his base rent on a new building, but surely, after that base rent has been set, rent review should come into force. Rather than spending the taxpayers' dollars to discredit rent review, the Conservative government should have implemented some of the very policies we have been promoting, the tenants' groups have been promoting and, in the case of Ontario Housing, a

standing committee of this Legislature has been promoting and proposing.

One would have expected the Minister of Consumer and Commercial Relations, the minister responsible for the so-called price restraint program and for rent review, would have shown some leadership and dissociated himself from this report that has been putting a scare into so many tenants.

Instead, we have heard nothing from him saying: "I disagree with the conclusions. I disagree with the shoddy research of this report. It makes no economic sense. It particularly makes no economic sense at a time when our government is talking about limiting salaries suddenly to try to blow rent review out of the water so their rents will go up as their salaries are controlled."

Instead, some of the back-benchers of this Conservative Party, members of this Legislature, have tried to accuse me of being alarmist to tenants. They have been upset by the fact that I have explained to tenants what exactly is in this report, a report by their government. I did not turn out the report. It is their government that commissioned this, that spent the taxpayers' money on it. Instead, they reiterate over and over again that the Premier (Mr. Davis) in the last election promised that as long as he is Premier, rent review would be kept—but they do not say in what form.

It is interesting that in the last election the Premier, when questioned by reporters, refused to comment on that very issue. The reporters asked him: "You say rent review will stay on, but in what form? Will it be like the ex-Conservative government in Manitoba had it? Will it be like the conservative government in British Columbia," albeit called Social Credit—which makes it more like the provincial Liberal Party probably but, none the less, is another form of conservative government—"where it gradually creates a slow death for it?" They asked him: "Will you be changing it? Will you be plugging the loopholes in the present act?" He refused to answer those questions.

The fact is that that report is an official publication of the government, and it does argue for the abolition of rent review. The fact is that the Conservatives in this House recently blocked my private member's bill that would have extended rent review to thousands of Etobicoke residents and other residents across the province. The fact is that the Conservative government has refused to enact legislation

requested by the Federation of Metro Tenants Associations to stop illegal rent increases.

The fact is that this government has delayed legislation requested by the city of Toronto to stop the demolition of good-quality, rent-controlled buildings in this city and, therefore, is an accomplice to the demise of affordable rental housing and, indeed, to its decrease and the throwing of people into the uncontrolled market. The fact is that this government has just introduced legislation that limits salaries but does nothing about the huge increases some tenants are receiving under the present rent review system.

The government may have members, such as the member for Lakeshore (Mr. Kolyn), or the members of one or two of the other Etobicoke ridings, writing to the paper saying, "Mr. Davis made a promise and it will stay." Yet day after day we see this government is deliberately, conscientiously, systematically undermining its own rent review program.

Then it has the audacity to say it is fighting inflation. Fighting inflation for whom? It is certainly not for the tenants who are receiving, in some cases, 30, 40 or 50 per cent increases. It is certainly not for the tenants who are getting illegally ripped off by landlords. It is certainly not for the Ontario Housing tenants who are being charged very large amounts for their rents and are being discouraged in a negative way from going out and improving their lot, trying to work more and develop themselves.

Not only is this government not increasing affordable housing, but it is an accomplice in an unholy alliance with those who would decrease affordable housing in this city. We have seen what happened when I introduced an amendment to the Planning Act to stop the demolition or conversion of moderately priced rental accommodation in Metro Toronto to luxury rental and condominium buildings. Stephen McLaughlin, the Toronto planning commissioner, has stated that the continuous loss of inexpensive housing in the city of Toronto will create a situation whereby the rich will live in the downtown core of the city surrounded by suburbs to which the poor will be forced to migrate.

We can see this already happening. If members go to my riding, or to the Mississaugas or to certain parts of Scarborough, they will see that is exactly what is happening. People are being thrown out, are being forced out of the downtown area, the Bathurst-Eglinton area, and they are combining, often illegally, two and three

families in apartments in the Scarboroughs, the Mississaugas and the Rexdales.

There are two routes that developers use to get around municipal and condominium conversion bylaws which make it difficult to convert rental buildings directly to condominiums. One technique is to upgrade to luxury rental and then later convert. I have suggested to this government on countless occasions—and I spoke to you about it earlier, Mr. Speaker—a way in which we could handle that problem, but the government refuses to deal with it. The other is conversion by demolition.

9:20 p.m.

Conversion to luxury rental accommodation could be discouraged by an amendment to the Residential Tenancies Act requiring a landlord to appear before a rent review officer and justify his rent increases after he has upgraded the building. To stop conversion by demolition what we need, surely, is an amendment to the Planning Act giving municipalities permission to stop the demolition of rental buildings, with exemptions for those where vacancy rates are high enough, where the land on which the building sits is zoned to a much higher density than it has or where there are structural or major health problems in the building.

Indeed, that is what the municipality of Toronto asked for in Bill Pr13. The bill sat—and I see the chairman of the committee sitting over there reading his newspaper—in that committee while that committee did absolutely nothing for four weeks. While the chairman knew he had the bill before the committee, he did nothing to call the committee to order to deal with it. I cannot help but believe, then, that he was part of the conspiracy of this government in not wanting that bill to come forward.

When the bill did come forward—

Interjection.

Mr. Philip: Why else would a committee sit and not do anything for three weeks when they had a bill that was sent to them by this Legislature? When I asked the chairman and the other members of the committee that the committee at least have hearings during the summer months to get the hearings under way—

The Acting Speaker (Mr. Cousens): The honourable member is tying his remarks in to Bill 179?

Mr. Philip: I am dealing with Bill 179, Mr. Speaker. I am dealing with the inflationary costs of housing. I am dealing with the very principle that the Treasurer said his bill was addressed to,

which was to reduce inflation. I am talking about one way in which a committee of this Legislature could have helped that but instead chose to act on the side of the developers who did not want that bill through, despite pressure from the city council of the city of Toronto.

The committee has not yet sat. Indeed the Attorney General (Mr. McMurtry), whose riding is personally affected, has openly stated that he does not believe the city of Toronto should interfere in the property rights of the landlords. The Minister of Municipal Affairs and Housing has said the same kind of nonsense. The parliamentary assistant to the Minister of Municipal Affairs and Housing, who also lives in that area or represents people in the general vicinity, has stated his opposition to the bill. And the local Conservative alderman voted against the principle of Bill Pr13 in city council.

What about the rights of the tenants? What about those people who have lived in that community for years and years, who in this case have gone to those synagogues, have belonged to the various groups that are in that area? There is not one synagogue in all of my area. To have those people displaced into my area or into the Scarboroughs is not only to displace them financially but also to displace them culturally.

One would think that even if the minister did not understand on economic grounds, on grounds that it is having a high inflationary influence on their rents, at least he would understand as a man who is cultured and who understands the values of culture that these people are being displaced in a cultural sense and that this is reprehensible. But instead this government chooses to go with the landlords rather than with the rights of the community.

There are solutions to the present rental inflation crisis in this province. I have just introduced an omnibus bill that provides concrete solutions to these problems of tenants. One of the actions taken by this bill is that, while it maintains the present six per cent ceiling on rent increases that can be made without the approval of the Residential Tenancy Commission, the bill further extends protection for tenants by tying the total rent increases the commission can grant to the consumer price index for one year, between October 1, 1982, and October 1, 1983.

We recognize the problems of small landlords. We recognize that in most cases they have a higher percentage of equity in the building than the larger landlords, who will rarely have more than 15 per cent of the purchase price.

Therefore, we make an exemption for those in the bill. The Residential Tenancy Commission could also grant increases above the index in those exceptional circumstances where that one-year freeze would create a bankruptcy situation. We feel that is reasonable. If the government is going to freeze tenants' salaries, if it is going to share the misery, why not share it with some of the large corporate landlords as well?

I introduced that bill because the present act has failed to protect many tenants. Some landlords are extracting increases of 40, 50 and 60 per cent or higher. We in the New Democratic Party say this must be stopped. The government refuses to plug the holes in the present system, so we have introduced an even more radical kind of surgery.

Frankly, a year or two ago I would not have considered such a proposal. I somehow had faith that the representations of lawyers on behalf of tenant groups and simple common sense, plus our arguments and the arguments of the opposition, would cause the government to say, "We have to deal with the loopholes that are creating inflation in the rental market." Since it has not, now we are faced with the need for a more radical kind of temporary program further down the road. That is why we have asked for the granting of a freeze on rents.

The bill I have introduced is really a charter of tenants' rights. It would bring all buildings under rent review. It would reduce the obligations of tenants to pay for the refinancing of buildings. It would improve tenants' right before the Residential Tenancy Commission and it would raise the interest paid on security deposits from six per cent to the current Canada savings bond rate.

The bill would also allow the Residential Tenancy Commission to conduct research and make reports on matters of tenant protection, such as foreign purchases of apartment buildings and speculation in the apartment field.

9:30 p.m.

I want to give one example of what speculation can do to inflate rents.

Two buildings consisting of about 200 units were sold in January 1981 by the federal agency, Canada Mortgage and Housing Corp., for \$2.5 million to Steveston Investments.

Even as someone with legal experience in the real estate industry, Mr. Speaker, you may find it hard to believe that to make that \$2.5-million purchase from CMHC, Steveston Investments

paid down \$37,000. For \$37,000 they were able to pick up buildings worth \$2.5 million.

The buildings were turned over in April 1982 for \$4.8 million, giving Steveston Investments a rate of return on their investment of 6,212 per cent. Not bad.

Steveston Investments is not pulling in its belt in these times of inflation; it is not suffering. The first sale resulted in an increase to tenants of 12 per cent, and the resale has resulted in the new owner making an application for a 30 per cent increase.

While some tenants in those buildings are having their wages frozen to an increase of five per cent by this government, they are getting their rents hiked 30 per cent and the speculator has made a profit of more than 6,000 per cent on investment.

What kind of government can talk about fighting inflation and then allow that kind of thing to happen? Surely the Minister of Consumer and Commercial Relations could have taken some very simple actions when he heard about that.

He could have denounced the sale of the apartment buildings to private landlords by Canada Mortgage and Housing Corp. and committed himself to asking the federal government not to sell any more of its rental stock. Indeed, he should have asked the Minister of Municipal Affairs and Housing (Mr. Bennett) to refrain from selling any more of his rental stock.

He could have imposed a speculation tax on all buildings sold less than five years after purchase. That would have removed much of the incentive for the quick turnover and speculation in buildings which have put so much inflationary pressure on tenants' rents.

He could have removed the exemption from rent review of apartments renting for more than \$750. With the present sale of buildings and the constant turnover of buildings, many middle-class residents will be facing that \$750 in the next few years.

He could have expanded the Ontario Mortgage Corp. into an Ontario mortgage and development corporation, constituting a fully vertically integrated and publicly owned development corporation capable of acquiring and developing land and buildings and competing directly in the housing market.

If the federal government did not want these buildings, the provincial government could have bought them and used that purchase to keep rents down. Instead, it refused.

Through an Ontario mortgage and develop-

ment corporation, the he could have selectively intervened in cases where tenants would be adversely affected, such as in the sale of Cadillac buildings, and acquired such projects for conversion to co-operative and nonprofit corporations or ownership by local housing authorities.

He could have required that finance costs on only 75 per cent of the purchase price of a building be counted as legitimate expense by a landlord for rent review purposes instead of the present 85 per cent.

He could have acted to protect the existing rental stock by passing legislation to allow municipalities to stop the demolition of buildings, as is being requested by the city of Toronto and is being delayed by this government and the people it chooses as committee chairmen.

About this time last year, when the Legislature opened, we forced an emergency debate to shame the Conservatives into applying pressure on their federal brothers to deal with the crisis of high interest rates.

At that time we suggested there should be an immediate moratorium on all rental rates and mortgage renewals to keep them at the rates then being paid. This would have meant that families with 12 per cent mortgages would have continued to pay at that rate for six months to a year.

We suggested that the moratorium would give immediate relief to home owners, that the tenants would be protected from further outrageous rent increases as mortgages came due on apartment buildings and that the current round of rent hikes was in many instances the result of massive increases in mortgages for apartment buildings already in place.

Second, we pointed out that such a freeze would put pressure on the federal government; Ontario could say that interest rates had come down substantially, and the banks would bring pressure to bear on the federal government to do the same thing.

Some people will say that such a moratorium would lose the banks some money. But even Allan MacEachen thought at that time, and stated, that the banks should bleed a little. One must ask where the banks have been bleeding under this Conservative government and under the federal Liberals in Ottawa.

We argued that the banks would have responded to the moratorium and that all past experience suggests the federal Liberal government is more likely to listen to the banks than to ordinary people.

We argued that the short-term moratorium was essential. We said that we must look at some serious long-term solutions to the housing questions, that decent housing was the fundamental right of every person in Ontario and that to guarantee that right we had to take mortgages out of the marketplace.

We offered a very concrete proposal on how to do that. We suggested that the Conservative government had succeeded in convincing many residents in Ontario that a high interest rate policy was purely a federal matter.

The fact is that there are a number of actions the provincial government could take to ensure that the crisis of high interest rates does not recur in the same way in the future. We pointed out that Ontario has a vehicle for providing lower-interest loans and mortgages if only we would use it.

In 1921, the United Farmers government started the Province of Ontario Savings Office. The primary purpose for the establishment of POSO was to borrow money by accepting deposits from the public to make low-cost improvement loans to farmers. However, with the return of the Conservatives in 1923, the farm loan program was suspended and POSO became a vehicle to encourage and promote thrift among Ontarians.

At present, the primary function of the Province of Ontario Savings Office is to take in savings deposits from the public. These deposits total \$641 million. No funds are lent to individuals or companies; the deposit funds become a loan to the Ontario government and part of the consolidated revenue fund. In the 1980-81 fiscal year, POSO also provided the provincial Treasury with an operating surplus of \$4.8 million.

It is interesting to contrast this with the success of the Alberta Treasury Branches. I want to point this out, because we are not advocating radical, pie-in-the-sky ideas. Some of the policies we are asking this government to implement have been implemented by other Conservative governments, such as the government of Alberta.

The Alberta Treasury Branches offer consumer, agricultural and commercial loans. A mortgage loan program introduced by them has made 15-year term mortgages available compared to eight-year term mortgages offered by banks. Thus it assists home purchasers.

Based on Ontario's population of 8.63 million, each branch of the Province of Ontario Savings Office serves 411,000 Ontarians. If Ontario were to provide branch services equivalent to those

in Alberta, there would be 865 branches instead of the 21 that currently exist. In contrast with the \$640.7 million on deposit in POSO, the Alberta Treasury Branches have \$2.3 billion on deposit and a loan portfolio in excess of \$1.9 billion.

If we want to use the government to bring down costs, if we want to create jobs as the Treasurer has suggested, surely this is a vehicle by which to do it.

Similar policies have been advocated by the next government of British Columbia, the one under Dave Barrett. At present, the progressive government in Manitoba is implementing such policies.

Are they needed? Look at what is happening to housing starts in Ontario. In June 1982, housing starts in Ontario were as follows: Hamilton 115, compared with 255 in June 1981; Oshawa 31, compared with 286; Ottawa 150, compared with 342; St. Catharines-Niagara 59, compared with 87; Sudbury 15, compared with 152; Thunder Bay five, compared with 35; Toronto 1,133, compared with 3,359; and Windsor, as could be expected, 11, compared with 25.

If we look at the historical pattern under this Conservative government, we can see that in the past few years, housing starts have gone increasingly down: in 1976, 84,682; in 1977, 79,130; in 1978, 71,710; in 1979, 56,887; in 1980, 40,127; in 1981, 50,161; and, of course, they are increasingly down this year.

9:40 p.m.

A study by the Ministry of Municipal Affairs and Housing was carried out in October 1981, based on a telephone survey of 5,839 home owners in Ontario cities. The study shows that home owners who will renew their mortgages in the next two years will face an average increase of almost 40 per cent in their monthly payments.

This bill talks about inflation, and the Treasurer (Mr. F. S. Miller) talks about inflation. That is inflation, and the government is doing nothing about it.

Furthermore, the study indicates that in 1982 between 45,000 and 50,000 home owners will be facing housing costs that will take 30 per cent or more of their income. That is inflation.

The government has done nothing to deal with this inflation. No doubt before an election it will come out with a whole series of promises of how to deal with it. If the members think I am being cynical, I remind them of what happened during the 1975 election campaign.

At a pre-election rally in Waterloo on

September 11, 1975, the Premier (Mr. Davis) made the promise of a mortgage interest subsidy plan. By the plan, Ontario home owners would receive a tax credit of as much as \$500 a year if their mortgage interest exceeded 10.25 per cent.

In 1975, facing an election, the Premier said there was a crisis because mortgage interest rates were above 10 per cent and he was going to do something about it.

The province would offset three quarters of the mortgage costs above 10.25 per cent on principal residences. The maximum relief would be available to those with a \$30,000 mortgage at 12.25 per cent. Someone with a \$20,000 mortgage at 11.25 per cent would receive around \$187.

The tax credit would be fully refundable even if the credit exceeded the amount of tax payable by the home owner except where a home owner without a mortgage took one out for this purpose. There was that safeguard in the Premier's plan. The credit would apply to existing new and renegotiated mortgages on new and older homes.

The Premier estimated the cost to the Treasury of this program would be about \$25 million for the first year. He also estimated the plan would encourage the construction of 10,000 more homes in the following year. The plan would only go into effect, however, if the federal government failed to act on mortgage rates within 30 days. Of course, that happened.

It is fine for the Premier, in an election campaign, to promise a mortgage relief plan. We have waited. We waited in 1975 for it, in 1976, 1977, 1978, 1980, 1981; and we are still waiting. That is how the Premier keeps the promise.

Where is the promise that was so urgent in 1975 when mortgages were so much cheaper than they are today? If there was an emergency in 1975, why is there not an emergency today when interest rates are so much higher?

In contrast to the Conservatives, who do not keep their promises, the NDP in Manitoba made a promise in its election campaign and, on forming the government, is now implementing that program. The government is committed to providing 15 per cent, five-year term mortgages. It is the provider of the mortgage funds at favourable borrowing rates which it can engage in long-term borrowing.

The maximum house price is \$64,000. The maximum amount of a loan is \$55,000. There is no income ceiling, but the program must be used to finance a person's primary residence. The rate of interest for the new mortgage

approved will be reviewed on a quarterly basis and will reflect the province's cost of borrowing. Once the person has a mortgage, he will benefit from the five-year fixed term.

The Manitoba government also is initiating a substantial program of housing rehabilitation. It has a number of homes in which 40 to 50 per cent of the cost will be for renovations. The government will also approve purchases of rundown homes in which 40 to 50 per cent of the cost is for renovations. Substantial funds will be made available to facilitate these purchases and to allow people to bring these homes up to good housing standards.

That creates jobs. That fights inflation. That keeps the promise which the Davis government has not done—the 1975 promise we are still waiting for.

Mr. Shymko: Mr. Speaker, on a point of order: I have not heard the word "Ontario" in all the comments that have been made by the honourable member. Is this Manitoba or is this Ontario we are talking about?

Mr. Philip: I can understand how the member for High Park-Swansea—

Mr. Shymko: Where would you get the \$4 billion?

Mr. Mackenzie: What bothers you, Yuri?

Mr. Speaker: Perhaps the honourable member could get back to the principle of the bill.

Mr. Philip: I can understand how the member for High Park-Swansea cannot understand about housing. He is the one who, together with his friend the member for Parkdale (Mr. Ruprecht), is fighting innocent people who want to put a group home into his neighbourhood. That is the kind of housing he wants them to fight. He wants to bash people who do not want to end up back in penitentiary—

Mr. Speaker: Now back to the bill, please.

Mr. Philip: —who want to improve their life and who want to work for people. That is the kind of redneck housing policy that member believes in.

The Toronto Star, in an editorial, called him the redneck that he really is when he uses innocent people to get votes. That is the kind of despicable thing he does.

Mr. Speaker: Order.

Mr. Shymko: Mr. Speaker—

Mr. Speaker: Order. Now can we get back to the principle of the bill, please.

Mr. Philip: You are quite right, Mr. Speaker. I was distracted.

Mr. Shymko: Mr. Speaker, on a point of privilege: In making an innocent comment about Ontario and Manitoba, I do not think I deserved the type of insinuations about being a redneck and whatever other insinuations the honourable member is—

Mr. Speaker: Order.

Mr. Cooke: It is a fact.

Mr. R. F. Johnston: A straightforward description.

Mr. Mackenzie: The truth must hurt.

Mr. Speaker: Order.

Will the member for Etobicoke please get back to the principle of the bill?

Mr. Conway: Oh, for the good old days of Ed Ziemba.

Mr. T. P. Reid: He has done the impossible, he has made Ed look good.

Mr. Philip: I will get back to the bill. I appreciate that the member for High Park-Swansea gave me a refreshing pause to get up some more steam. I have another three quarters of an hour in which I can deal with the principle of the bill.

I have not even mentioned the Ombudsman once. I did not mention the Ombudsman at all in this speech, until the member brought it in. The Ombudsman has acted in a secretive way in hiding the finances from the citizens of Ontario—

Mr. Speaker: I do not think that has anything to do with the bill.

Mr. Philip: —as the Premier has in hiding his interest policy that he promised in 1975. It does have some relevance to the bill.

What I am dealing with is very clear. This government, as I pointed out earlier when the member for High Park-Swansea was not here, has said that the purpose of this bill is to fight inflation. What I have been talking about for the past hour and a half are ways in which the government can fight inflation.

Clearly, what I am dealing with now is how one government, unlike this government, has kept its promise and is fighting inflation. I am trying to point out to the member for High Park-Swansea, and to all the other members, just how a government that is responsible can behave in dealing with the inflation policy. I am sure that the member for High Park-Swansea will understand that this is directly on the bill.

9:50 p.m.

If I may continue. The province of Manitoba also has a program that will aid people in the \$20,000 to \$30,000 income group by providing

subsidies of up to \$200 a month in order to reduce their gross debt service ratio. In order to be eligible for the program one must raise the 10 per cent down payment. The program will seek to avoid the assisted home ownership program fiasco by giving direct subsidies and by not calling for the repayment of any of the subsidies.

Builders also can benefit from the Manitoba program. The program I have described will stimulate the demand for housing. The goal of the program is also to create economic stimulation and to create jobs, which the Treasurer said was his objective in introducing the present bill. Essentially, the program means that builders who have plans to build can approach the government and the government will be willing to accept some of the risk. The builder wishing to proceed makes a proposal for units valued at less than \$64,000. This would include multiple units and condominiums as well as free-standing structures. The government would then consider giving certain types of financial guarantees and may also agree to buy back unsold houses.

It is not so long ago that I was speaking in the city of Chatham. There I met with a builder who had houses that had been on sale for over two years, but because of today's interest rates people could not afford to buy them. Indeed, he was selling them two years later for less than the cost of building them, and people still could not buy them.

If the kind of program introduced in Manitoba, in a market that has more vacancies and lower rent costs and where there is less of a crisis, can be implemented by the Manitoba New Democratic Party government, we believe it can surely be implemented by the Conservative government here.

We in the New Democratic Party believe that inflation in housing can be successfully fought. We believe the ultimate goal of the development and delivery of housing should be the elimination of exploitation in the housing industry by shifting the focus of the housing market from the present profit orientation to people orientation and by guaranteeing access for all people to a chance for suitable housing at a price they can afford to pay.

To this end, rather than introduce this kind of bill we suggest the government should acknowledge that the provision of housing, from planning and land assembly to construction and maintenance, is ultimately a public responsibility and that within this context it should accept the necessity of direct government intervention in the housing market in order to control prices

and provide enough housing to satisfy people's needs.

We believe the government should recognize the need to provide a wide variety of affordable housing aimed at meeting the diverse requirements of people with varying lifestyles and income levels as well as the differing characteristics of Ontario's many communities.

We believe the government should engage directly in the development of new housing and the rehabilitation of existing housing and encourage municipal governments to do likewise by way of financial incentives and enabling legislation.

We believe the government should expand the Ontario Mortgage Corp. into an Ontario mortgage and development corporation constituting a fully integrated and publicly owned development corporation capable of acquiring and developing land and competing directly in the housing market as well as having a full range of financial powers similar to those of the Canada Mortgage and Housing Corp.

That kind of corporation could maintain an adequate supply of affordable housing, maintain the downward pull on housing prices, counter corporate concentrations in the development industry and implement the social and economic policies of the government with respect to such matters as social integration, energy conservation, servicing cost reduction and job creation.

We believe the government should selectively acquire, through the Ontario mortgage and development corporation, existing developer-owned land assemblies in and around major urban areas, including both undeveloped lands and potential redevelopment or rehabilitation sites in both suburban and central locations. By either of these means, it should involve itself in the acquisition, by expropriation if necessary, of fine development lands and central land assemblies held by major development corporations, or of controlling interests in one or more of the major development corporations where this would prove more economically expedient than acquiring solely their land holdings.

In so doing, they would achieve public control of housing and the land markets and provide a source of suitable lands for public development, and private development as well. The government could selectively purchase through the Ontario mortgage development corporation existing multiple housing for public use. It could be administered and owned by resident control, co-operatives or municipal

housing authorities, or even by the Ontario Housing Corp. It would provide that existing tenants are not displaced against their wishes, as is happening at present.

We believe in the development of public land banks held by the Ontario Mortgage Corp., in accordance with the following principles: give the highest priority to co-operative housing ventures, to municipal, provincial and other nonprofit or public housing projects and to crownhold ownership projects, where the title of the land would remain vested in the crown in order to reduce initial purchase costs and control a future resale price; encourage a large number of builders to be active in actual housing construction in order to encourage price competition and discourage corporate concentrations; plan construction and development activities in such a way as to minimize seasonal fluctuations in the construction industry; plan new developments in consultation with tenants and resident organizations as well as full co-operation with local municipalities and their planning policies; encourage the participation of such groups in all stages of the development programs; and design new developments so as to emphasize energy efficient provision of public transit, protection of the environment, preservation of prime agricultural lands, respect for existing communities and other local social responsibilities.

Those kinds of policies we are advocating are fairly specific, they are fairly concrete and they are not radical. This kind of co-operation between the public and the private housing sector, involving regulation rather than ownership in some instances, this combination of mixed economy we are advocating, would go a long way to reducing the inflationary costs of housing in this province.

The bill before us does nothing to fight the inflation and the shelter costs in Ontario. This government has done nothing to develop innovative programs in housing in this province. This bill is merely an example of a government that rules by polls rather than with compassion; that rules without intelligence, without empathy and without the kind of pragmatism that is necessary to deal with the present problems of inflation. This bill, the minister, and the Conservative-Liberal government that is putting it through, are long in rhetoric and short in substance. It is what one might expect from a government that is both intellectually and morally bankrupt. I will be voting against the bill.

Mr. Piché: The member for Etobicoke (Mr. Philip) did not give me too much time, but I still have half an hour. I hope to use that half hour for what I have to say.

I welcome the opportunity to participate in this debate on the inflation restraint program. As the Premier (Mr. Davis) has stated, this issue is of vital concern to the health of the economy and to the future prosperity of all Ontarians. Given what is at stake, it is the duty of all of us in this House to give this matter our most serious consideration.

Mr. Conway: You don't need to read that. Give it with fire.

10 p.m.

Mr. Piché: That will come after.

Mr. Speaker, I begin by addressing an issue which, as both a resident and a representative of northern Ontario, is of great concern to many of us. Permit me to call to the members' attention an incident which occurred in this House during the afternoon session of Tuesday, September 21. I refer to the reaction which greeted the Premier's announcement that as an example of our need to reflect on all our expenditures and to take into consideration changing priorities, the government had cancelled its order of the Canadair Challenger jet.

[Applause].

Mr. Piché: Yes, I need that.

Mr. McClellan: Is this your maiden speech?

Mr. Piché: No, it is not.

The record tells us that at this point the Premier's remarks were interrupted by interjections. I would assume that anyone who was in the House at the time would agree that description is an understatement. What we witnessed was a riot of hysterical self-congratulation by the honourable members on the opposite side. I will not bother to speculate what interpretation of the government's actions sparked their seeming enthusiasm; however, it would no doubt involve a total misrepresentation of the facts which led to the decision.

I was somewhat dismayed by the response of the opposition parties to the Premier's announcement. They appeared to be totally oblivious to the fact that as a result of this decision, the people of northern Ontario will be deprived of important equipment which would have provided an invaluable backup to the existing dedicated air ambulance service.

Mr. Sweeney: Which he never should have bought in the first place. Who do you think you

are kidding? They had \$12 million and did not know what to do with it.

Mr. Piché: If members will listen, they will see what is coming after this. Why this should give the opposition parties reason for celebration escapes me.

Mr. Wildman: Why are you attacking the Premier?

The Acting Speaker (Mr. Cousens): Order, please. The member for Cochrane North has the floor.

Mr. Piché: Mr. Speaker, you will note that I said I was dismayed, not surprised, by the reaction of the opposition parties. In a sense, I suppose that I anticipated a reaction which would demonstrate a total insensitivity to the needs and interests of those who live in northern Ontario. My lack of surprise can be accounted for by two factors.

First, as the Premier pointed out, the opposition had always been cynical about the government's intention to use the Canadair 600 as an air ambulance; I repeat, as an air ambulance.

Mr. Cooke: With good reason.

Mr. Wildman: You sound as if you have been hit by a water bomb.

Mr. Cooke: This isn't on the principle of the bill.

The Acting Speaker: Order, order.

Mr. Piché: They have consistently misrepresented—

Mr. Sweeney: He is embarrassed, Mr. Speaker.

The Acting Speaker: Order, I can hardly hear the member because of the interjections. Order, please.

Mr. Epp: You don't have to say that now.

The Acting Speaker: Order, please.

Mr. Piché: Mr. Speaker, they have consistently misrepresented the potential for using the aircraft as an emergency vehicle.

Mr. Cooke: Withdraw.

The Acting Speaker: Order.

Mr. Cooke: He is out of order, Mr. Speaker.

Mr. Sweeney: He is getting worse than Phil Gillies.

The Acting Speaker: Order.

Mr. Piché: The resolution introduced last December by the member for St. Catharines (Mr. Bradley)—who, incidentally, is not in the House today—makes no mention whatsoever of the benefits to be derived by the people of

northern Ontario from the use of this aircraft as an emergency vehicle.

Mr. Sweeney: It cannot even land at northern airports, what are you talking about?

The Acting Speaker: Order.

Mr. Piché: The member for St. Catharines did address this point in a communiqué he issued December 3, 1981, in conjunction with his resolution. He said that the argument put forward by the government that the Canadair 600 was chosen because of its adaptability as an air ambulance was weak because the aircraft could not land at so many air fields in the province.

The government was aware of the factors and the design features which limited the Challenger's ability to function as an emergency air ambulance in northern Ontario. The government contracted to have certain alterations made to the spoilers and the landing area.

The Acting Speaker: I would ask the honourable member to tie his remarks into Bill 179.

Mr. Piché: These modifications would have improved the short-field landing ability of the jet, giving it the ability to land and service a good majority of the population of the province. Apparently, it did not appear to anyone on the opposite side that this greatly enhanced the multi-task role envisioned for the jet.

Nor did it appear to them that the addition of the jet would increase the flexibility and the efficiency of the dedicated air ambulance system which is so crucial for the wellbeing of the people living in northern Ontario.

Mr. Wildman: Point of order, Mr. Speaker.

The Acting Speaker: A point of order from the member for Algoma. The member for Algoma has the floor. The member for Cochrane North will take his seat while this point of order is heard.

Mr. Wildman: Mr. Speaker, along the lines of the point of order raised earlier by the member for High Park-Swansea (Mr. Shymko), could you please ask the member for Cochrane North to speak to the bill that is on the floor?

The Acting Speaker: I have asked the member to tie his remarks into the bill.

Mr. Piché: Mr. Speaker, the remarks I am making now—

Interjections.

The Acting Speaker: Order. Will the member tie his remarks into Bill 179, please?

Mr. Piché: Mr. Speaker, I am speaking to the

bill. This was in the opening remarks and that is where I am placing my own comments.

These facts received little attention either in this House or in the media. To be frank, we on this side must accept some responsibility for this also. I know now that we should have been more forceful and persistent in presenting the case, in describing the positive contribution which could be made by a multi-task aircraft.

The second reason I was not surprised by the opposition's response was it was so typical of their general attitude towards the north. The opposition's attitude towards the north has been out of sight and out of mind. This has been shown time and time again.

I prefer to think the attitude of my NDP and Liberal colleagues is caused by lack of knowledge and not by lack of feeling. If they knew how important the dedicated air ambulance service was to the north, and how vital it is that the service not only be maintained but improved, I am positive their jubilation would be tempered by concern.

Permit me to make a statement of the obvious. Northern Ontario is a vast region with a small population. There are 800,000 people in an area the size of western Europe.

I am aware many of the members opposite believe that northern Ontario is a wilderness as vast and severe as the political wilderness in which they have lived for so long. I would take this opportunity to assure them that this is not the case.

Mr. Cooke: This is pretty heavy.

Mr. R. F. Johnston: That was almost poetic.

Mr. Laughren: What about the Kapuskasing unemployed?

The Acting Speaker: Order.

Mr. Piché: I am not finished yet. I will be coming to that. Just give me the opportunity, then I will tell them.

Mr. Cooke: Let's get to the meat of your speech. Let's get to the guts of your speech.

Mr. R. F. Johnston: They can all ride the plane.

Interjections.

The Acting Speaker: Order, please. The member for Cochrane North should not be deterred by these interruptions. May they cease?

Mr. Piché: In the north, the combination of difficult geographical features, vast distances and a small and scattered population create problems with the delivery of services, and our citizens in the north have as much right to these

services, and to the same quality of service, as their compatriots in the south.

10:10 p.m.

Health services in particular are especially difficult to provide. While in the south you can walk or drive a few miles to the nearest special medical facilities, in the north the distances are greater, travel is more difficult and services are less accessible. Too often we forget that what in the south is taken for granted, in the north requires considerable planning, effort and expense.

As the mayor of Kapuskasing for some 10 years I worked with a group of northern mayors from North Bay to Hearst who were committed to improving the delivery of health services to the people of northern Ontario. In particular we worked very hard to impress upon the provincial government at that time the necessity for introducing a dedicated air ambulance service using jet aircraft. These books are available to anyone; it is all in there.

Mr. Conway: Give them to the Premier.

Mr. Piché: He has a copy already. In fact, he had the first copy.

Interjections.

The Acting Speaker: Order.

Mr. Piché: The reason we laid such great emphasis on this service was that the system then in place, which relied on chartered aircraft, was poorly equipped, unco-ordinated, undependable, slow and dangerous to both patients and staff. The only positive things that could be said about it were that the air crew and medical personnel involved were skilled and dedicated and that the service was better than nothing.

The Acting Speaker: I would ask the honourable member to tie his remarks in to the bill.

Mr. Piché: These are my opening remarks, which I am coming back to. Let me illustrate the kinds of conditions that existed at that time and that were typical of the service before the introduction of our present system. In September 1977 a Kapuskasing municipal employee shattered his leg in an accident and had to be rushed to Toronto for treatment.

On the flight to Toronto, accompanied only by an orderly on the plane with no medical equipment or drugs, the patient's leg began to swell inside its cast, causing him extreme pain. The pilot had to land at Sudbury, and the patient was rushed to the local hospital, where they operated. Communications were so bad

that it was not until hours later that the patient's doctor in Kapuskasing and the doctor in Toronto awaiting his arrival in order to operate learned what had happened. The patient did eventually get to Toronto, where a second operation was necessary and took place.

Another example is of a nurse who made a five hour trip from Thunder Bay to Toronto aboard a small Piper Aztec with an acutely ill elderly patient on board. Again the plane was very poorly equipped, and no drugs or pain-killers were supplied. The temperature on the plane could not be controlled, and the pilot and the nurse had to share the one flashlight on board. The nurse used it to check her patient's lifelines and vital signs, the pilot to read his navigation charts and to check for ice on the wings.

Interjections.

The Acting Speaker: Order.

Mr. Piché: These circumstances were not rarities; they were the rule rather than the exception before the present service. I could go on, but I believe these examples suffice to indicate that in the past the only merciful aspect of the mercy flights came with a successful landing. Fortunately, the Minister of Health saw the need and responded positively to our request for improved service. As a result of government action a dedicated air ambulance system for northern Ontario was initiated on July 6, 1981.

Interjections.

The Acting Speaker: Order.

Mr. Piché: This system, built around five aircraft, both fixed wings and helicopters, is in my opinion the best service of its kind in Canada if not in North America. This year the air ambulance system will make a projected total of 5,745 patient transfers. Of this total, 1,706 will be carried out by scheduled aircraft, 2,554 by charters and 1,485 by dedicated air ambulance. In northern Ontario dedicated air ambulances will make 300 patient transfers out of Sudbury, 330 out of Thunder Bay, 422 out of Timmins and 433 from Sioux Lookout.

Mr. Cooke: It is pretty confusing isn't it?

The Acting Speaker: It is consistent with the trouble I have had with other speakers in getting them to obey rulings.

Mr. Shymko: It all comes down to helping the sick, the suffering and the dying.

Mr. Piché: That's right.

The Acting Speaker: Order. All I ask is that

the member for Cochrane North who has the floor speak to Bill 179.

Mr. Piché: Most of these transfers involve flights of considerable distance. For example, more than 60 per cent of the mercy flights from northeastern Ontario terminate in Toronto. I know of no method which would measure the value of this service to the people of the north. I can think of no method which would enable us to put a dollar value on the relief of pain.

The new service has greatly increased the quality of care which can be provided to patients using the system. The dedicated aircraft are fully equipped with all the necessary medical and communications technology required to ensure a comfortable, safe and well co-ordinated transfer.

The Challenger jet would have completed the air ambulance program for northern Ontario. It was very important that aircraft be brought into service, but unfortunately northern Ontario is taking a second seat again because of the opposition.

Improvements in transfer equipment were complemented by a program to upgrade the skills of the medical attendants. Currently all dedicated air ambulances are crewed by individuals who are especially trained in all aspects of air escort work.

Interjections.

Mr. Piché: That is right. In southern Ontario the crew of Bandage One has advanced life-saving skills training. Because the crew of Bandage One is able to be in constant contact with a physician, they are permitted to perform a wide range of medical acts, such as administering drugs, which cannot be performed by air escorts in the north. This is not to imply that the air escorts in northern service are not well qualified. The emergency medical care attendants who staff the northern service are fully trained in the techniques of emergency medical care. They have also had intensive training in northern survival skills.

The government has put in place a program to ensure the northern emergency medical care assistant will be able to perform the same duties as the air escorts in the south. At present the EMCA role is limited by the fact the great distance in the north, given the available communication equipment for the crews, makes it impossible to be in constant communication with a doctor.

To overcome this problem, the government is building a new communications system in north-

ern Ontario. This new network, the Northern Ontario Ambulance Radio System, when fully installed will enable northern crews to be in constant communication with a physician during a transfer. The first communication unit, NOARS, was opened in Sault Ste. Marie May 31, 1982. A second unit is scheduled to come on line in Thunder Bay in late 1983.

In addition, northern crews will be able to increase their medical expertise by participating in a pilot project in paramedical skills to be held in Toronto this fall. This training will enable them to take full advantage of the opportunities to improve medical care offered by the NOARS network.

The Acting Speaker: I would ask the honourable member to remember we are speaking to Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Piché: Mr. Speaker, I am coming to that. My opening remarks have to do with the cancellation of a jet and I am trying to explain here what the cancellation of the jet is doing to northern Ontario. Nobody else seems to realize the important role this jet was to play as an air ambulance.

10:20 p.m.

I am trying to put some facts here so they will understand that in northern Ontario we do not have the facilities they have in the south. Down here anyone can walk into all the facilities one has, whether it is in Ottawa, Toronto or St. Catharines; in the south one has that, we do not.

We need fast transportation. We need the kind of equipment this government was going for, which we have now in the smaller aircraft called the Citation I. But this Challenger 600 would have done exactly what many of us wanted, and there are eight years of work. I have a copy of this book for anyone who wants it. The mayors of northern Ontario at that time asked for this for northern Ontario. We had it and they got it cancelled. That is the importance of it.

Mr. Wildman: On a point of order, Mr. Speaker: Just for your clarification the member is indeed speaking about restraint. What he is doing is opposing the Premier's decision to get rid of the jet. He is opposed to this restraint package. I just thought we should clarify that for you.

The Acting Speaker: That is not a point of

order. The member for Cochrane North has the floor. The member will please continue.

Mr. Piché: In addition, northern crews will be able to increase their medical expertise by participating in a pilot project in paramedical skills to be held in Toronto this fall. This training will help them to take full advantage of the opportunities for improving medical care offered by the new communication network.

Although I am somewhat disappointed that current priorities require the cancellation of equipment which I believe would have made a significant contribution to improving northerners' accessibility to health care, I am comforted by a number of things.

First, we have a good system in place and plans to improve it. The Challenger 600 would have done that just beautifully. Second, I am confident this vital service will not suffer as a result of the Management Board's review of public sector expenditures. Third, while in northern Ontario we have lost an air ambulance only for a short time, we gained two water bombers. This equipment will help protect—

Mr. Wildman: You sound as though you were hit by one of them.

Mr. Piché: I will answer that later. Mr. Wildman, you should be supporting what I am saying here.

Mr. Wildman: I agree with you; we need an air ambulance.

Mr. Piché: Mr. Wildman, I am not too sure sometimes that you represent the north. You voted against it so you have shown that you were against what we are trying to accomplish in northern Ontario.

The Acting Speaker: You will call the honourable member by his constituency.

Mr. Piché: As I just mentioned, this equipment will help protect valuable resources and of course northern jobs. The member for Windsor-Riverside heard that.

Mr. Cooke: How?

Mr. Piché: I am getting to it.

Interjections.

Mr. Piché: The Premier said he was certain the people of northern Ontario would understand the necessity of restraint at this time. Speaking as a northerner, one of the very few in this House, I can assure the Premier we do understand this is a time when sacrifices have to be made by all Ontarians for the sake of future prosperity.

The northern economy rests on a relatively

narrow base of primary resource industries, mining and forestry. The people in these industries work very hard and make a substantial contribution to the economic wellbeing of this province. The world-wide recession has led to a reduction of demand and has had a severe impact on production, sales and consequently employment in the resource sector.

During the debate, much has been said about the problems of northern employment. I am sure everyone would be delighted if it was within the power of this House to legislate people back to work by legislating demand. Unfortunately, we do not have the ability to require our foreign and domestic customers to consume more of our resources. What we can do is put in place policies that create an environment that will hasten economic recovery by increasing business and investor confidence. We can encourage other jurisdictions and economic actors to do likewise. We must also do what we can to soften the impact of the recession on our people and put in place programs that will help them until our policies for economic recovery take effect.

Interjections.

The Acting Speaker: Order.

Mr. Piché: I believe this government has taken all three of these measures. The first two have been much discussed and I will limit myself to one observation on the third element. When we speak of providing relief from unemployment, most of us speak of job creation. On this front, the opposition holds that government action has been inadequate. Of course, I reject this contention. Government action has been premised on the need to provide short-term relief without introducing policies that would jeopardize long-term recovery.

The government has introduced job creation programs that are targeted on those sectors hardest hit by unemployment and having the greatest potential for direct and indirect job creation. Of special interest to the north are the five special federal-provincial job creation programs that have created to date 31,230 weeks of work for 2,125 laid-off workers.

Interjections.

The Acting Speaker: I would ask members to keep order. Carry on.

Mr. Piché: Northern workers have also benefited from the employment incentive program for unorganized areas administered by the Ministry of Northern Affairs. I would urge the Premier to reject the ill-advised suggestions of

the opposition. In my opinion, those gentlemen advocate policies that place at risk the economic future of the province. It is a political triumph of expediency over fiscal responsibility. They persist in believing there is a quick fix. Most of us do not share in that belief. I think the proposed restraint program points us in the right direction and will create conditions that will not only speed recovery but ensure that Ontario is in a position to take full advantage of that recovery.

This is only part of my address, Mr. Speaker. Would it be in order now to ask for an adjournment?

The Acting Speaker: Yes, we are close to the

hour. Will you move the adjournment of the debate?

Mr. Piché: Yes, but I will return on Thursday.

On motion by Mr. Piché, the debate was adjourned.

Mr. J. M. Johnson: Mr. Speaker, on a point of personal privilege: I think it would be remiss of this House to let this day go by without paying tribute to the election victory yesterday of James Lee in Prince Edward Island and to wish the government of Prince Edward Island success in the difficult years ahead.

The House adjourned at 10:30 p.m.

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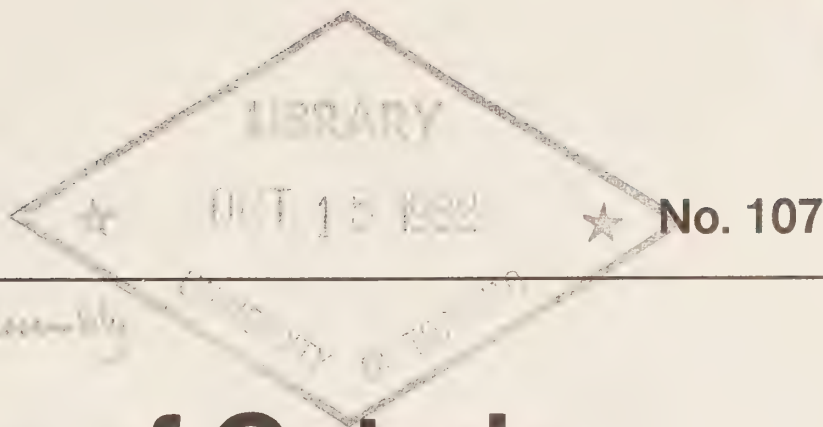
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Legislature of Ontario Debates

Official Report (Hansard)

Second Session, Thirty-Second Parliament

Thursday, September 30, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, September 30, 1982

The House met at 2 p.m.

Prayers.

PLOUGHING CONTEST

Mr. Martel: Mr. Speaker, maybe you can decide whether this is a point of privilege, a point of order or a point of information. It is with a great deal of pleasure that I rise in my place today to congratulate that great farmer, the member for Welland-Thorold (Mr. Swart), who at the ploughing contest held last Tuesday in Lucan, just north of London—

Interjections.

Mr. Martel: Mr. Speaker, listen to the caterwauling coming from that side of the House—

Interjections.

Mr. Speaker: Order.

Mr. Martel: In the category set aside for special events among MPPs—and the list included such notables as the Minister of Agriculture and Food (Mr. Timbrell), the Leader of the Opposition (Mr. Peterson), the member for Kent-Elgin (Mr. McGuigan), the member for Huron-Middlesex (Mr. Riddell), the member for Chatham-Kent (Mr. Watson), the member for Carleton (Mr. Mitchell), the member for Elgin (Mr. McNeil), the member for London North (Mr. Van Horne), the member for Middlesex (Mr. Eaton), the member for Grey (Mr. McKessock) and the member for Haldimand-Norfolk (Mr. G.I. Miller)—none other than the member for Welland-Thorold came out the winner.

I hope everyone in this House will join me in congratulating him on his very notable effort.

Mr. Riddell: Mr. Speaker, on behalf of the Liberal caucus, I certainly want to offer our congratulations to the member for Welland-Thorold. But the ploughing was so even and uniform among all the members who participated that they really did not know which basis to use in making a final selection. What they finally did was, they gave it to the person who talked the most to the tractor as it was making its rounds in the field.

Hon. Mr. Timbrell: Mr. Speaker, I want to

add my congratulations to the member for Welland-Thorold for the prowess he displayed on Tuesday afternoon at Lucan. However, I am curious to know whether, as a good Socialist, he has had the silver tray melted down and has donated the proceeds to a worthy cause—maybe the Liberal Party; I do not know.

We were very pleased to have been associated with the honourable member in that very worthwhile endeavour, which I am pleased to report to the House is going extremely well and which is a great tribute to Mr. McNamara and the local organizing committee in Middlesex county.

Mr. Swart: Mr. Speaker, I guess there is some onus on me to reply. I have to say that the member for Huron-Middlesex was partly right in what he said: they were all nice, straight furrows. But the reason some of the others did not win was that they acted the same there as do politicians in the House: they were not sure where to start and they did not know when to stop.

I might add that I do not intend to melt the tray down; I want to keep it, because there is a good chance I might never get another one. But I would point out to the minister that perhaps I was able to get it because I spent the first 17 years of my life on a farm and had some practice behind the horses. That may stand me in good stead in pitting myself against the minister as agricultural critic, and I will come out on top there too.

Mr. Speaker: I am sure we are all very pleased that the member for Welland-Thorold has been so honoured. I am not sure whether it is a reflection on his great skills or—

An hon. member: Or the lack among the others.

Mr. Speaker: Right. However, if we need any ploughing done, we know where to get it.

Mr. Peterson: Mr. Speaker, there are other explanations for the win by the honourable member. Some speculated that it was because he used his head at the front point on the plough that he won it.

ORAL QUESTIONS

TREATMENT OF RAPE VICTIMS

Mr. Peterson: Mr. Speaker, there is nobody important here. But I have a question for the Provincial Secretary for Justice, in the absence of everyone else involved in that field.

I am sure the minister is aware of the reports in the papers today about the very upsetting news from Humber Memorial Hospital that a doctor apparently refused to proceed with haste in looking after a rape victim there.

Why is it that the ministers involved in these kinds of things wring their hands after the fact, when it was common knowledge both to the police and to people at rape crisis centres, indeed to the Attorney General (Mr. McMurtry), that this kind of discriminatory practice was going on? Why do we always have to solve these problems after the fact? Apparently there now are two investigations, one called by the Minister of Health (Mr. Grossman) and one by the Attorney General. Why is the government always so slow to act in these matters?

2:10 p.m.

Hon. Mr. Sterling: Mr. Speaker, actually the Provincial Secretariat for Justice and the Ministry of the Attorney General have not been slow to act in terms of showing some leadership in dealing with this very heinous crime. As I indicated in the estimates last spring, the Provincial Secretariat for Justice implemented a rape crisis evidence kit which assists hospitals and doctors in collecting the necessary evidence for a rape crisis case.

We have experienced some difficulty with some hospitals and some doctors in terms of their attitudes in complying with the use of the kit and in providing the necessary examinations after such a crime has taken place.

We have undertaken a number of efforts to educate the various hospitals in the use of this kit. We have done a number of other things. We have produced a booklet on how to handle this matter. We also have funded rape crisis centres for the past three years, as the Leader of the Opposition is aware, in terms of dealing with this very delicate matter.

However, we cannot change the attitudes of all the people involved with delivering the service. We are doing everything through education that we feel we possibly can at this time.

As the honourable member knows, there is a statutory obligation for hospitals to provide medical service to people who come to the hospital. I am sure this will be considered in the

investigation that has been undertaken by the Attorney General.

Mr. Peterson: I appreciate the minister's long speech, but it had nothing to do with my question.

I gather from press reports the reality is that it has been common knowledge that this kind of delay has been going on in certain hospitals. I will quote, if I may, Sergeant John Stoneman, who is handling the rape investigation. He said yesterday, "Humber has a reputation for turning away rape victims."

Dr. Jack Walters, a leading advocate of the establishment of rape crisis centres in Ontario hospitals, said, "Incidents are common and will continue unless something is done."

The Attorney General himself told reporters, "Over the years I think we have heard reports to the effect that hospitals aren't enthusiastic about the treatment of victims of sexual abuse." Indeed, the minister's predecessor in his office acknowledged in Hansard in 1981, I believe, that there was a problem in that a number of hospitals were not taking advantage of the kits they had or were not moving with dispatch and the ministry was not getting the kind of co-operation it needed to make them effective.

The minister does have the power under the Criminal Code to force people to comply. Why are we discussing this issue today? Why has the minister not moved on it before? Why has he not mobilized the various authorities under his jurisdiction to make sure this never should have happened and never should happen again?

Hon. Mr. Sterling: I do not think it matters how many rules we make or what resources we provide to handle this situation. We cannot control what the response might be in a particular situation in any emergency department anywhere in this province. It depends on the attitudes of the individuals involved. It also depends on the work load of the emergency department at the time the victim approaches it. I understand the emergency department was very busy at that time.

We can try as we might, and we intend to try, to improve the process, but we cannot necessarily change the attitudes of everyone who is dealing with this crime.

I do not accept for a minute the rejection of this woman for treatment at Humber Memorial Hospital. I understand the hospital has made a very positive statement today about treating rape victims in the future. That, of course, is why the Attorney General and the Minister of Health have undertaken inquiries into this case.

Mr. McClellan: Mr. Speaker, I wonder whether the minister would be interested to know that our health researcher spoke to the staff of the Toronto Rape Crisis Centre today and was advised by the staff of that centre that every single hospital in Toronto on at least one occasion has had a doctor refuse to complete the kit to provide medical treatment to a rape victim and that, in the experience of the staff of the centre, the shortest wait by a rape victim for medical treatment in a hospital is two hours and more frequently is four to five hours.

Will the minister not agree that we are not dealing with an isolated incident and that it will do no good to make a scapegoat of a particular doctor at a particular hospital? Why does he not sit down with his colleagues and develop a number of specialized rape crisis treatment facilities in specific hospitals around this province?

Hon. Mr. Sterling: Mr. Speaker, I am not aware that there are numerous problems around Toronto in relation to this matter. I do know that the sexual evidence kit has been used in 500 or 600 cases since it was instituted. In general, it is used to a very great extent not only by the hospitals in our province but also in many other provinces where they are looking at it in terms of a precedent to deal with this very difficult problem.

The exclusion of the use of the kit does not necessarily mean that a victim is not dealt with properly. I am sure there are some doctors who would prefer to do their own examination, who have experience with this kind of matter and who can do just as good a job without the use of the kit.

My ministry is in constant communication with the rape crisis centre. I certainly would be glad to receive from them the documented cases they refer to.

Mr. Breithaupt: Mr. Speaker, will the Provincial Secretary for Justice commit the government now to a policy statement in this House, with the Minister of Health and the Attorney General, to make the intentions of this Legislature quite clear, in matters such as this, as to what the responsibilities of the hospitals are in dealing with these matters? In that way the public would know that we are serious about this matter and that this kind of approach, which apparently has been somewhat haphazard over these past several years, must not be allowed to happen again.

Hon. Mr. Sterling: Mr. Speaker, I do not have any hesitation in indicating to this House that

we consider this to be a very serious matter and that both the Minister of Health and the Attorney General are extremely upset by this example. I do not know all the legislative changes that would be necessary to enforce an apparent serious attitude towards the treatment of a victim in these cases.

I do not know whether the present health legislation already covers that matter. We have not had a prosecution relating to this kind of matter. Maybe out of this case there will be a prosecution. That will come only after the results of an investigation, of course.

We will certainly look at the matter, and I will discuss it with the Attorney General and the Minister of Health as to whether additional safeguards of the rights of a victim in a case of this nature need to be enshrined in legislation.

2:20 p.m.

OHIP PREMIUMS

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. We have had some discussion in this House about Ontario health insurance plan fees and their inclusion in Bill 179. The Treasurer has been asked this question before, but he has never answered it.

I want to ask a very clear question today. Are OHIP fees to be included as administered prices?

Hon. F. S. Miller: Mr. Speaker, OHIP fees are not an administered price.

Mr. Peterson: Can the Treasurer tell me which section of the bill excludes it and why it is not included? I ask that because even a very simple reading of the legislation, let alone a profound reading, would indicate its inclusion by any definition the Treasurer or I, or any lawyer, could devise.

Hon. F. S. Miller: The advice I was given was that it is a price negotiated for a service or product, the same as any other service or product purchased by government.

Mr. McClellan: Mr. Speaker, I have asked this question twice already; both times the Treasurer said he did not know. I would like the Treasurer to explain in a rational manner how it is that OHIP fees and the OHIP fee schedule can be excluded from the definition of "administered price," when there is no exemption clause and the bill clearly says: "Administered price" means . . . a price, user charge or fee required, permitted or authorized by a public regulatory agency"—such as OHIP, I add in parenthesis—

“to be charged by another person”—such as a doctor, I also add in parenthesis.

Hon. F. S. Miller: Mr. Speaker, as I understand it, the prices referred to are those that come before a board such as the Ontario Energy Board and the Ontario Highway Transport Board. These do not.

Mr. Peterson: Under the bill, an administered price is “a price, user charge or fee charged by a public agency...established or controlled by the crown in right of Ontario, which provides any product or service for which a price, user charge or fee is charged.” Very clearly, by the wording, this qualifies.

The Treasurer is destroying the efficacy of his own program right off the bat. It falls within the so-called administered price period. Why is this not being included? Why is he trying to ruin the program before it even starts?

Hon. F. S. Miller: If I understand the thrust of the question, the Leader of the Opposition is saying that physicians are a public agency. They are not.

ENERGY RATES

Mr. Foulds: Mr. Speaker, I wish to ask a question of the Minister of Energy. Is the minister aware that Consumers' Gas, whose disposable revenue went up by 35 per cent last year, has now placed before the Ontario Energy Board an application which, after taking into account the so-called restraint programs of both the federal and provincial governments, has not reduced the company's profit at all?

How is it that when the company plans to hold its employees to the wages the government dictates, natural gas consumers will pay 17.8 per cent more and the company will not lose a penny? Does the minister not think Consumers' Gas should be taking less out of the economy too, or otherwise they should change their name to “the Corporate Gas Company”?

Hon. Mr. Welch: Mr. Speaker, if the honourable member is making reference to an application that is currently before the board, as I assume he is, the board will deal with that matter. The board already has been advised that the inflation restraint program applies as it deals with administered prices, and it will impose on any application the regulations we have been discussing in this House. It will deal with that in due course.

Mr. Foulds: How then does the minister explain to the workers on whom he has slapped a five per cent ceiling the fact that Consumers'

Gas can pass through not only costs incurred because of the national energy program, the wellhead price and all that, but also its wages and a component for profit?

Does the minister not find it inconsistent that his cabinet approved last year's five per cent increase just four days before he came into this Legislature and asked for controls on wages? Does he not think that is inconsistent?

[Interruption.]

Mr. Speaker: Order. I caution everybody in the public galleries that demonstrations are not allowed. I have to tell you all that if another outburst or any kind of demonstration takes place, I shall have to clear the galleries completely.

Hon. Mr. Welch: The member does not really do the House a service by confusing two separate matters.

The very last matter was an application heard by the board dealing with a previous application, which members of his caucus appealed and to which this legislation had no application. The review of the matter resulted in that outcome. The matter had been before cabinet for a long time. The member knows that.

To prejudice what the Ontario Energy Board is going to do with respect to the first part is not really being very fair either. I have already pointed out, as has the Premier (Mr. Davis) on several occasions, that the compensation and net income restraints will be applied by the Ontario Energy Board. There will be certain costs, over which we have no control by virtue of the Canada-Alberta agreement, which the board will allow to pass through. In so far as it applies to compensation and net income, that applies and the Ontario Energy Board will make that application during the hearing to which the member has made reference.

Mr. Swart: Mr. Speaker, because of his portfolio, the minister must realize that during the past two years the percentage increase to the distributors has been greater than the increase in the cost of gas and taxes combined. He must know that the net income to the company went up in the past two years from \$85 million to \$157 million. He must also know that customers on equal billing in this province have just received notice that their rates are going up by some 18 to 20 per cent in September for this coming year.

There is plenty of fat there. Does he not realize that the refusal of his government to freeze the amount that Consumers' Gas is going to get makes a mockery of the government's proposed plan to limit prices under Bill 179?

Does he not realize that the bill is nothing more than a public wage control measure?

Hon. Mr. Welch: Mr. Speaker, the honourable member knows what has already been said several times, that the intent of this legislation, in so far as the natural gas companies are concerned, is to deal with the compensation and net income packages. The member knows that a substantial portion of the gas bills which I pay and we all pay is beyond the control of the natural gas company by virtue of the agreements that have been signed. In so far as it falls within the jurisdiction of this province, these companies will be restrained consistent with the intent of this legislation.

Mr. Foulds: The intent is uneven, is it not?

EQUAL PAY

Mr. Foulds: Mr. Speaker, may I ask a question of the Minister of Labour about equal pay?

Does the minister remember telling the House on March 19, 1982: "There are some circumstances that are genuinely unfair to women in this province, and there is a great deal that has to be done. Certainly one of my objectives is to try to work towards a strengthening of our current equal pay laws"?

Is the minister aware that the wage control package in Bill 179 actually takes away advances towards equal pay for 15,000 female employees by rolling back the contract the government has already negotiated and signed with its office and clerical workers?

2:30 p.m.

[Interruption.]

An hon. member: Throw them out.

Mr. Speaker: Order. The north end of both the east and west galleries will have to be cleared immediately.

An hon. member: Adjourn the House.

Hon. Mr. Ashe: You should be satisfied, you fellows.

Mr. Mackenzie: You should be satisfied; yours is the most dangerous government this province has ever seen.

Mr. Speaker: I think that was misunderstood. I said the north section of both the east and west galleries, not the south section, must be cleared. The school children may remain in their seats.

Mr. Cassidy: But the people affected may not remain.

Mr. Speaker: I see that.

Mr. Cassidy: You talk about their rights and kick them out at the same time.

[Interruption.]

Mr. Speaker: Quite obviously, we are going to have to clear the whole gallery.

[Interruption].

Mr. Mackenzie: You're sick; what you are doing to democracy in this province.

Mr. Speaker: You are out of order. Sit down. Order. The whole of the galleries are going to have to be vacated—everybody in the public galleries.

Mr. Cassidy: Free unions are okay in Poland but not in Ontario.

Mr. Mackenzie: It's a pretty sad day.

Mr. Speaker: The Minister of Labour.

Hon. Mr. Ramsay: Mr. Speaker, when the legislation was introduced, I particularly—

Mr. Laughren: Shame on you, Russ, you should resign.

Hon. Mr. Ramsay: What did I have to do with it?

Mr. Mackenzie: You are a member of the cabinet.

Mr. Speaker: Order. Just address yourself to the question please.

Hon. Mr. Ramsay: Mr. Speaker, when the legislation was introduced, I looked at that particular section. I had the section studied by members of our ministry and we felt that there was no problem as far as the equal pay regulations in the legislation were concerned.

Mr. Foulds: Surely the minister is aware that in the civil service women earn roughly 72 per cent of the salaries of men in the civil service and that when the government signed the contract of 11 per cent for clerical workers and 11.12 per cent for office workers, the majority of those workers overwhelmingly being women, 15,000 out of the 17,000 in the category, it was as a small step to give those underpaid categories some marginal gains and some gains for women? The government legislation now is taking away up to \$1,000 from those agreements already signed for each worker. How can the minister, who is responsible for the equal pay provisions and for the equal pay idea, support this legislation? What did he do and what is he prepared to do to defend women's wages and these workers' wages?

Hon. Mr. Ramsay: As I indicated earlier, I looked at the legislation and had it studied and I could not see a problem. The honourable

member is bringing to me what he perceives to be a problem. I indicated that I did not perceive any problem, but I will be happy to look at it in the context of what he has brought forward today.

Mr. Wrye: Mr. Speaker, if the minister understood that the average salary of women in the public service in 1981 was just 72 per cent of that of men, this would surely have led him to the conclusion that in bringing in the restraint legislation, if he had allowed for sharper notching, rather than the very tragic joke of notching that is up to about one per cent over the five per cent, he could have brought in equity for all of the lower-paid groups, but, most particularly, equity for the lower-paid female civil servants, and thereby brought about a little more of a movement towards equal pay for both sexes.

Why did he not recommend to the cabinet that this be done? Why did he not stand firm in arguing that sharper notching be allowed to exist?

Hon. Mr. Ramsay: Mr. Speaker, when I studied the legislation on the basis of how it would affect the current equal pay legislation that we have in this Legislature, as far as I and my people could determine, it would not affect that legislation.

Ms. Bryden: Mr. Speaker, the women in the gallery have told the minister there is a problem, even though he says there is no problem and they have told him in a very clear way. There is no need to tell the minister that this legislation is freezing any move towards closing the gap or providing remedial action, because that is going to be the effect of it. I would ask the minister, when awards are made under the equal pay legislation, which he prefers to a proper law of equal pay for work of equal value, to overcome situations where there has been discrimination against women, will those awards be restricted by this legislation?

Hon. Mr. Ramsay: Mr. Speaker, I have already answered that question.

Mr. Speaker: Before proceeding with question period, I would inform the House that I am going to add five minutes to the total time to compensate for the disturbance.

SACRE COEUR SCHOOL RENOVATIONS

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Education. It concerns the situation at Sacré Coeur school in Bourget and the report of a public inspection panel which stated that the basement of that school was

extremely dangerous and that the classrooms could be described as death-traps.

Is the minister aware that last week, the parents of the children attending Sacré Coeur school gave her an ultimatum to announce major renovations on or by September 24? Is she further aware that on September 27 they boycotted the school until yesterday, at which time we had a meeting and subsequently decided in good faith to send the children back to school this morning? If the minister is aware of that, will she demonstrate the same good faith and now announce the renovations necessary to make that school safe for those children will be undertaken?

2:40 p.m.

Hon. Miss Stephenson: Mr. Speaker, I really thought the honourable member had been around long enough to understand that the responsibility for providing school facilities rests with boards of education. It does not rest primarily with the ministry.

I would like the member to know that on at least a dozen occasions over the last 10 years that board has been informed that the one area, and the only one in that school, which is at fault in terms of child safety is the basement, because of some exposed wiring and that it would be wise if that board were to correct that.

The board was informed again, as a result of the visit of our own director of architectural services in August, that that was what was required and they should immediately contact the fire marshal to have him look at it again and give his opinion. The board had not done that by September 20, therefore the director of architectural services contacted the fire marshal himself. That inspection is proceeding. On September 20, the board sent a letter to the fire marshal. That had already been done by the director of architectural services as well.

That report will be in the hands of the board within the next few days. I hope it will be not more than two weeks. It is then up to the board of Prescott-Russell to enclose or repair that situation. The remainder of the school is totally safe for the children.

If there is a problem of accommodation, that board has other facilities it might use for temporary purposes to take those children out of the basement, if they are using the basement at the present time, because that school is at this time 68 per cent occupied.

[Applause].

Mr. Boudria: Before the members over there applaud, they should listen to the rest of this.

There are no other restroom facilities in that school. Would the minister suggest that we provide them with Johnny-on-the-spot facilities while they make renovations to that place? The basement is five feet high. There are no fire exits in the place. There are classrooms with entrances but no exits, and washrooms with no sinks. How does the minister think we are going to solve that situation by covering up a few wires?

Hon. Miss Stephenson: There are no classrooms in the basement. If that board is using the basement for classrooms, I would like to suggest to the member that the board does not need to use the basement for classrooms. It can most readily rearrange schedules to accommodate all of those children and there are temporary services that might be made available to the children for washroom purposes until the work is carried out.

It is not because the ministry has not been aware of the problem. The ministry has been informing the board for more than 10 years that there was a problem. It is time that board took action.

NIAGARA NURSES' DISPUTE

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Labour. I am sure the minister is aware of the comments of Mr. Arkell of Grimsby, the head of the Niagara Regional Area Health Unit, that if the striking public health nurses are not back at work tomorrow they will be fired.

Since this is clearly and patently an illegal threat, can the minister tell us what steps he has taken to ensure Mr. Arkell is forced to retract this direct threat against these nurses, who are among the lowest-paid women in Ontario in the public health sector, or is the minister now totally impotent in his ministry as Minister of Labour?

Hon. Mr. Ramsay: Mr. Speaker, I missed the last part of the comment.

Mr. Speaker: It is a question, not a comment.

Mr. Mackenzie: Have you any authority left?

Hon. Mr. Ramsay: Mr. Speaker, I have been in this House for three years.

Interjections.

Hon. Mr. Ramsay: I have never once hooted or hollered at those monkeys across the way.

Hon. Mr. Ashe: "Monkey" is the right word.

Mr. Martel: A point of order, Mr. Speaker.

Interjections.

Mr. Speaker: Order, order. I just want to make an observation before you do.

Mr. Martel: You make your observation.

Mr. McClellan: It will be interesting to see what your observation will be.

Mr. Speaker: All right. I would suggest to the Minister of Labour that he may want to reconsider his remarks.

Hon. Mr. Ramsay: You are absolutely right, Mr. Speaker. The remark was uncalled for, but I just want to make a further comment. As I said, I have not made any interjections. I have treated each one of those people with the greatest of respect, and I just cannot understand why it is not reciprocated on one or two occasions.

Mr. Riddell: I liked your first statement better.

Interjections.

Mr. Speaker: Order.

Mr. Mackenzie: The coalition seems to be working, and I would much rather be called a monkey than be the insensitive—

Mr. Speaker: Supplementary, please.

Mr. Mackenzie: —kind of person we have in labour relations.

Interjections.

Mr. Speaker: Order. I recognize the member for Hamilton East with a supplementary.

Mr. Mackenzie: I would point out, Mr. Speaker, that not one part of the question I asked was answered by the Minister of Labour, but I will ask a supplementary as well, and maybe he will have the courage to answer both of them.

Does the minister not now recognize the poisonous atmosphere that this control bill of his is creating with these public health nurses, who, as I said, are among the lowest-paid in Ontario and who have been on strike since May? Does he consider it fair that they are now to be forced back, retroactively really, at sub-standard and unfair rates? Where is the fairness in that? Even a monkey understands fairness. Why does the minister not understand?

Hon. Mr. Ramsay: The honourable member is assuming that I do not understand fairness and that I am insensitive, and I totally reject those accusations. The honourable members opposite do not have a monopoly on sensitivity, they do not have a monopoly on concern and they do not have a monopoly on care for the people of this province. I know the members opposite are sincere; they do have concern, but

there is concern also on this side and over on that side as well.

Mr. Speaker: Direct your remarks to the question, please.

Mr. Bradley: Mr. Speaker, the minister will recall the previous remarks of the same gentleman from Grimsby, who said that the public health nurses in Niagara do not provide an essential service. I think the minister will agree with me that they were uncalled-for remarks and not productive in the negotiating process.

Has the minister consulted with, or will he consult with, the Attorney General (Mr. McMurtry) to check on the legality of the remark Mr. Arkell is making, albeit he says it is his own personal opinion? There are many in the legal profession who would say that this claim is hollow and that until such time as legislation is passed in this House those people are not illegally on strike.

Hon. Mr. Ramsay: Mr. Speaker, I will be happy to do just that. I see nothing wrong with that at all. The whole matter has certainly dragged on too long. If there is a feeling of bad-faith bargaining, and obviously there is, on behalf of the nurses involved, I really would recommend that they address that particular issue and take it to the appropriate forum, which is the Ontario Labour Relations Board.

TECHNOLOGY CENTRES

Mr. Cousens: Mr. Speaker, I have a question for the Minister of Industry and Trade (Mr. Walker) on high technology. A recent article in the Toronto Star makes reference to a federal task force on high technology and indicates that one of the recommendations could be to establish a technology centre on microelectronics. I wonder if the minister could give us some insight into this. Could he tell us what he knows about this report and possibly tell us where Ontario stands with its own program for high technology?

2:50 p.m.

Hon. Mr. Walker: Mr. Speaker, I believe that was a federal report that was ultimately released to the media in advance of being submitted officially to the department of labour. It is rather interesting that they are finally beginning to recognize there is a need to be involved in the microelectronics industry.

While they are doing an awful lot of talking about it, I think it is fair to say this province has made some very important strides in the microelectronics industry. Instead of talking about it,

we are doing something about it. The microelectronics industry has a technology centre worth several million dollars that already has been established and is functioning out of Ottawa. I think the members from Ottawa would appreciate the value that will be to the Ottawa Valley—to the so-called Silicon Valley.

It is an indication some very important strides are being taken in the microelectronics industry. That is likely to be an industry that will produce tens of thousands of jobs in the next few years alone in the Ottawa area. I think that is something that should be supported a great deal.

Mr. Cousens: I would like to follow that through, if I could. The Canadian Manufacturers' Association made reference in today's Toronto Star to having a special session on "competing in the global village" during its annual meeting. I would like to know if the minister could tie this whole subject of microelectronics and high technology together. What are we doing to support the export of these services outside of our own province and country?

Hon. Mr. Walker: The six technology centres which will be onstream by the first of the year in Ontario and will touch on something like 90 per cent of the industry we have in this province will allow the small to medium-sized businesses to get into the export business and become those kinds of industries that will be competitive and truly export-oriented. Indeed, I think it is fair to say that if we do not get into this area much more heavily, the prediction of the CMA president will come true—that the war will be lost. I would echo the comments that he is making in that respect.

Mr. Roy: Mr. Speaker, after listening to the dissertation from the minister, I can only ask him: "Gordie, what would we do in Ontario without you?"

Mr. Speaker: Is that the supplementary?

Mr. Roy: No, no, the second supplementary is simply this: After patting himself on the back—as he has during the question from his colleague on that side—I wonder if he could react to a statement made by a gentleman whom I am sure all members would consider to be objective. In fact he is a former potential Tory candidate, the regional chairman for Ottawa-Carleton, Andy Haydon. He said Ontario was "foot-dragging on its micro centre." What reaction does the minister have to that statement the regional chairman made only in May? He did not seem to be so

much in love with the members opposite as obviously they are.

Hon. Mr. Walker: It is amazing how his love seems to have changed. I am sure he would be the first to turn up at the door of the microelectronics centre, which is open today and serving the public, and discover that we are not dragging our feet. In fact, we are going at breakneck speed.

Mr. Cassidy: Mr. Speaker, would the minister inform the House—since the federal committee is recommending that there should be some specific concern about the social and economic impact of microelectronics on our economy, particularly in the work place—what steps the Ontario government is prepared to take in that area, which up until now has been totally ignored by the government?

Hon. Mr. Walker: Mr. Speaker, on the contrary, we are certainly not ignoring it; indeed, we are taking that into account. It is my intention, when the final boards are established—and the microelectronics board is not far from being announced to the House—that the final board will have labour representation on it. I think that will take into account precisely what the member is saying.

With respect to the auto parts technology centre and the advisory board I have established which provides me with advice on the five-year plan we have had presented to us in draft form this morning, that advisory board has on it Robert White of the United Auto Workers, who has agreed to serve. I think that is a very important addition to it.

I intend to see each of the technology-centre boards have a significant component of labour which will make sure that very aspect is considered at all steps through the process.

TREATMENT OF RAPE VICTIMS

Ms. Copps: Mr. Speaker, I would like to return to the Provincial Secretary for Justice in an effort to ensure the Humber Memorial Hospital horror story is not repeated. I believe the minister's concern about attitudes and work load is very admirable, but I would like to know what directives this government has issued to police forces across Ontario to force doctors to administer immediate tests of rape victims. Are these directives being followed across Ontario?

Hon. Mr. Sterling: Mr. Speaker, I have to refer that question to the Solicitor General (Mr. G. W. Taylor) who unfortunately is not here

today. He happens to be in a hospital having an operation on an old football injury.

Mr. Martel: Another one?

Mr. T. P. Reid: Have they found the football yet?

Interjections.

Hon. Mr. Sterling: I do not know whether there is anything within the jurisdiction of our present legislation under the Police Act to force police officers to do this or that in terms of duty or what they might do. They do not perform the medical examination. It is in their interest that it be done as quickly as possible. They attempt to work as closely as they can with various hospitals to have the examination done as quickly and as thoroughly as possible. They are very supportive of the rape evidence kit which has been supplied to all the hospitals.

Again, it deals with a matter of the police being fully supportive of having that kind of action taken as quickly as possible. I do not think that is the problem we are faced with.

Ms. Copps: If that is not the problem, can the minister explain why the director of nursing in an Ottawa area hospital this morning confirmed that some rape victims who come to that hospital are transferred without any testing whatsoever? In her own words, "It depends on the doctor and it depends on the police officer."

In fact, the sexual assault centre in this area responsible for referring women did not even know this hospital had a rape kit so there obviously seems to be a problem. Will the minister pass along to the Solicitor General our concern that a directive be issued immediately for all police forces across Ontario to force doctors to test victims immediately upon their arrival at hospitals?

Hon. Mr. Sterling: I will pass along to the Solicitor General the member's concerns as to how she feels about this matter and in terms of trying to improve the system. I do not know whether the phrase the member used of forcing people to do things will actually work out in the end. We are interested in seeing the matter is remedied. We have been working very hard to seek that remedy in the past and will continue to do so.

ASSESSMENT OF HOMES WITH UFFI

Mr. Swart: Mr. Speaker, my question is for the Minister of Revenue. It concerns the assessment of homes with urea formaldehyde foam insulation. The minister will know it is only a

short time until the property assessment for 1983 taxes will be finished and the rolls closed.

For some time, the minister has had at his disposal the results of about 35 assessment review courts which, with the exception of the first few, uniformly reduced the assessment of homes with UFFI by 75 per cent where the owners had appealed. Will he today tell this House and the owners of homes with UFFI whether he is now going to follow through with the decision of the courts and reduce the assessment of these homes by 75 per cent this year for next year's taxes? Also, will he tell us what steps he is taking to locate all such homes so they can have this appropriate reduction?

Hon. Mr. Ashe: Mr. Speaker, we are analysing all the results brought forward to date by the assessment review court procedure. For the past year we also have been accumulating and are in course of analysing all the sales of properties that had urea formaldehyde foam insulation installed in all or part of the building.

3 p.m.

With the correlation of these two sets of statistics, I would hope that later this fall, in time for the return of the 1982 assessment rolls for 1983 taxation, we will be able to formulate a policy that will have some application throughout the province for next year's taxes. They will not necessarily be to go along with the decisions as brought down by the assessment review court, I might say at this time. They may or may not be. Part of the investigation is to be fair not only to the home owners but also to the property tax base of the respective municipalities in question, and we do have a responsibility there as well.

We are not making any additional attempts to try to identify these properties. I think the press and the issue itself have made people aware of it. I suggest that not all home owners know that they have it even if they do. I feel—I have only suspicions of this and acknowledge that in advance—there are homes that have UFFI but the people do not want to acknowledge they have it. They are quite prepared to live there, they are having no problems, and they do not want it identified in a public way.

Mr. Swart: Mr. Speaker, from what the minister has said, it appears he is not going to give the 75 per cent uniform reduction, as the courts have ruled this year. My supplementary to the minister is, how can he say he is not making any particular attempt to identify homes that have urea formaldehyde foam insulation

when only some 4,000 this last year appealed, when in fact the Ministry of Health has had requests from 9,300 people for tests? That is over 5,000 more who wanted the tests who are not afraid to identify their homes.

Does he not realize that if he does not locate these by the simple procedure of sending out a questionnaire or having these homes visited, one half or two thirds or three quarters of all the people who have urea formaldehyde foam insulation are not going to get the automatic reduction the government is required to give if the value of the home is reduced?

Hon. Mr. Ashe: The honourable member has reached a very simplistic conclusion based on the inappropriate set of statistics and facts at his disposal, which is not unusual for that member. In fact there has been a series of decisions by the court. Also, all thinking members in this House would agree that the best guideline as to the change in value of properties is how they are affected in the marketplace, and that will form part of the decision and the policy that will come out of the Ministry of Revenue.

Mr. Boudria: Mr. Speaker, will the minister indicate whether, when the legislative changes are made, they will contain such changes as to reduce the assessment of urea formaldehyde homes dating back from December 18, 1980? Presumably that is the date on which it was banned and therefore the date when the property value was lowered. This is what I proposed in Bill 102 which I introduced in the Legislature on May 6.

Hon. Mr. Ashe: No, it will not.

JOB CREATION

Mr. Jones: Mr. Speaker, I have a question of the Minister of Industry and Trade in respect to an announcement concerning a Mississauga firm that received a contract award for a helicopter system for export to the United States. I wonder if the minister can elaborate on the number of jobs that were involved in that award and the types of jobs.

Hon. Mr. Walker: Mr. Speaker, this is another one of the great firsts that are happening. We are getting some very important contracts that are coming from the US government for defence purposes. When the sales occur to the US government they usually lead to much greater export on a world-wide basis.

This case was a \$52-million deal for a helicopter recovery system with respect to destroyers at sea. That deal will create something like 100

new jobs in the riding of Mississauga North. I think that is going to be of some value to that member.

The member should realize there was inspiration in this case. My colleague the Minister of Energy (Mr. Welch) has indicated some participation, I think to the tune of \$800,000 for research and development in this area.

Mr. J. A. Reed: A point of order, Mr. Speaker: It has always been my understanding that question period was to be used to address matters of urgent public importance. It would seem to me a question like that is more in line with a self-congratulatory commercial. I would suggest the Speaker be aware of just what these questions and answers are. If I were he, I would not permit it.

Mr. Speaker: If I were to apply standing order 27(a) in its strictest sense, there would be very few questions allowed in this House. Based on tradition and precedent and historic reference, if you will, the people on this side of the House have as much right to ask a question as people on the other side.

Hon. Mr. Walker: If I may finish my response, I am interested to realize the member is against jobs in the riding of Mississauga North.

Mr. Speaker: I could have sworn the minister was finished his response.

Hon. Mr. Walker: This will certainly create new jobs. Not only that, to talk about urgent public importance, there was another one this morning that saw Nabu in Ottawa selling to the People's Republic of China. So there is another deal.

Mr. J. A. Reed: A point of privilege, Mr. Speaker: The honourable minister has somehow managed to indicate I was not interested in jobs. I would point out that the jobs connected with this question are already in place. There is no question that can be asked in this House that will change that.

Mr. Speaker: Just to indicate how fair I am, I allowed that point of privilege, which in fact was not a point of privilege.

GOLDMAN CASE

Mr. Spensieri: Mr. Speaker, I will direct my question to the Attorney General in the absence of the Solicitor General (Mr. G. W. Taylor). The Attorney General is undoubtedly aware of the recent acquittal of Mr. Goldman on a drug possession charge. Undoubtedly he is appalled

by the observations of the trial judge concerning the behaviour of the police officers during the trial in their efforts to improve their evidence by fabrication.

His Honour Judge O'Connell stated: "When they"—the police officers—"realized the position they were in, they proceeded to make notes unrelated to the events as to chronology, but for the express purpose of making it appear from the actions alleged that Mr. Goldman knew what was in the trunk of the car. There were discrepancies not only in the testimony between the officers but also in testimony given at the trial and at the preliminary hearings."

Does the Attorney General, in conjunction with the Solicitor General, intend to act on this unequivocal statement by His Honour Judge O'Connell? Will he urge his colleagues, the Solicitor General and the Provincial Secretary for Justice (Mr. Sterling), to commence disciplinary hearings and to lay charges if appropriate?

Will he state clearly to police forces in Metropolitan Toronto and elsewhere that officers of the law in this province will not be permitted to engage in such behaviour, and that if they do so they will be subject to the discipline of their professional bodies and to criminal prosecution under the law?

Hon. Mr. McMurtry: Mr. Speaker, I have read press reports, probably the same press report the honourable member has read. I will certainly be prepared to discuss the admittedly very disturbing comments of the trial judge with the Solicitor General. Through him, we will report back to the Legislature on these comments.

Mr. Spensieri: The remarks of the trial judge were described in that same press statement as the strongest statements yet as to collaboration, possible collusion and fabrication among police officers.

Is the minister not concerned that these revelations, following as they do in the wake of the Proverbs incident along with the many incidents involving the police last year, are cumulatively undermining public faith in the administration of justice? Will the Attorney General indicate to us whether or not there is a secret report of the Justice secretariat admitting to this very sad state of affairs? Will he undertake to table the report for the benefit of all members of this assembly?

3:10 p.m.

Hon. Mr. McMurtry: I can assure the honourable member that if there were such a report I

am sure it would have come to my attention and I know of no such report. The member is quite correct when he says statements attributed to the trial judge—I have not actually seen the transcript and I would like to—have the potential to undermine seriously the confidence of the public in the police. I share his concerns and I will be discussing the matter with the Solicitor General.

FUNDING FOR RAPE CRISIS CENTRES

Ms. Bryden: Mr. Speaker, I have a question for the Provincial Secretary for Justice. When the secretary is talking to the Solicitor General (Mr. G. W. Taylor) about the rape tests we have just been discussing, will he also raise with him the absolute necessity of increasing the funding for rape crisis centres across this province, and particularly for the Toronto Rape Crisis Centre which is about to close its doors? Many others are in similar situations. Will the provincial secretary arrange for the funding for these centres to be increased?

Hon. Mr. Sterling: Mr. Speaker, I intend to discuss this matter with all of the Justice ministries, which all contribute towards rape crisis funding at the present time. I have heard from some of the rape crisis centres that they need not only to obtain additional funding but to sustain their present funding which I believe terminates at the end of this fiscal year.

We are at present reviewing the function and the agreements we have with the rape crisis coalition. I will be raising that not only with the Solicitor General but also with the Attorney General and the Minister for Correctional Services (Mr. Leluk), who all contribute to that funding at this time.

Ms. Bryden: Is the minister not aware these rape crisis centres in effect perform functions which our public hospitals, emergency departments and legal aid are not able to perform in the same way? It is an essential service which all of these ministries are benefiting from and they are benefiting from it at extremely low allotments to the people who are providing this service. Will the minister make a commitment that there will be substantially increased funding in the next budget?

Hon. Mr. Sterling: As I mentioned in my first answer, I only represent part of the funding formula and cannot commit my fellow ministers to the additional funding until we have a chance

to discuss it. However, I do not believe there would be a reluctance on the part of the ministers to continue to help in this area. I know what they are doing and we are very concerned about the ending of this service to the community.

VISITOR

Mr. Swart: On a point of privilege, Mr. Speaker: I am sure the members of this House would want to know that we have in our gallery today the federal member for Welland, Mr. Gilbert A. Parent and his wife Joan. Mr. Parent is also the chairman of the Liberal caucus in Ottawa. When I was talking to him a moment ago he made the comment to me that he wanted to come here and see how we perform so he would feel good when he got back to Ottawa.

Mr. Speaker: Thank you. We are very pleased to welcome the honourable member to the senior level, shall we say.

Hon. Mr. Welch: He lives in Brock riding.

Mr. Speaker: He lives in Brock riding, I understand.

PETITION

NIAGARA NURSES' DISPUTE

Mr. Swart: Mr. Speaker, I have a petition relative to the public health nurses.

After pointing out in the petition that the Niagara regional public health nurses have been on strike since May 3; that the public health nurses have been treated in a high-handed and arrogant manner by this board of health at the expense of the public; that they serve senior citizens, school children, new mothers, psychiatric patients, etc., and that the management of that health is among the highest-paid in the province while it's public health nurses are the lowest-paid, the petitioners say:

"We, the undersigned, request that in all due fairness to the public and its nurses the Minister of Health and the Minister of Labour intervene in this strike to stop the irresponsible treatment of the public health service by the Niagara regional board of health. Furthermore, we request that these nurses be paid salaries which recognize their education and their contribution to the community and which are equitable in relation to other nurses in this region."

These were signed before the recent bill was introduced. They certainly have even more application at the present time.

MOTION

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on social development be authorized to sit Wednesday, October 6, 1982, to consider Bill 138, An Act respecting the Protection of the Health of the Public.

Motion agreed to.

ADMISSION TO PUBLIC GALLERY

Mr. Foulds: Mr. Speaker, on a point of order: I wish you would inform the members when you plan to reopen the public galleries.

Mr. Speaker: I have given instructions to keep them closed until the resumption of the evening sitting at eight o'clock.

Mr. Cassidy: On a point of privilege, Mr. Speaker: While it is within your competence as Speaker to make such a ruling, I would ask you to reconsider it very seriously. The debate that is taking place this afternoon is on a bill that affects hundreds of thousands of public servants and people in the parapublic sector across Ontario. Surely we in this House should be able to debate these matters and at the same time allow people who are affected, and who do not have political rights in many cases, at least to have the right to observe what is going on in this chamber.

Mr. Laughren: Mr. Speaker, at least as much to the point is the fact that I am speaking this afternoon, and I think the galleries should be open.

Mr. Speaker: That is a very persuasive argument; in fact, that is the best I have heard yet.

If I may be serious just for a moment, I sympathize with the point that was raised by the member for Ottawa Centre (Mr. Cassidy), but in fact I think I was extremely fair with the people in the gallery. I pointed out to them I would not allow any demonstrations of any kind; then, of course, they persisted, and the galleries had to be cleared. I regret that very much, but I think I have to abide by my original decision: The gallery will remain closed until 8 p.m.

Mr. Martel: Mr. Speaker, you only said that gallery; you did not mention this one, and you cleaned both of them out. Now, are you going to allow those people back?

Mr. Speaker: I did. I used the plural, if you had only been listening. Not only have you a sore throat; maybe your ears are affected.

Mr. Foulds: Mr. Speaker, I would ask you in the next few moments to reconsider the decision on two grounds: one, there were people who came into the galleries after you had cleared them; two, there have been circumstances where there have been disruptions in the galleries before, and I cannot recall any precedent where the Speaker has cleared the galleries for the entire remainder of that sitting or session.

3:20 p.m.

Mr. Speaker: That may or may not be. I guess we have created a precedent.

Mr. Foulds: In a democracy I would consider it quite a dangerous precedent because there may be many other people who have come to this building who wish to sit and watch the business who had nothing whatever to do with what happened in the previous incident.

Mr. Speaker: That is exactly right and that is the part I regret. Because of the misbehaviour of a few, everybody is penalized.

Interjections.

Mr. Speaker: Just a minute.

Mr. Peterson: Mr. Speaker, it seems to me this is worthy of some discussion. I do not know the government's response at this point, and perhaps the government House leader would like to respond, but may I share with you the view of our party having just briefly chatted with some of my own colleagues on the benches here.

We think what you did was justified in the circumstances but was an extraordinary action. There is no reason to clear out the galleries for some three or four hours. As was pointed out by my colleague, there may be other people who want to hear the debate this afternoon, because it is, like all debates in this House, very important.

It is important too that you, and we, do not overreact in the circumstance. Frankly, in our judgement there probably was a slight overreaction. I would suggest the gallery be opened again. You can always exercise the power you have to clear the gallery. It is to be hoped the offending persons will be sufficiently chastened so it will not go on again.

No one in this House encouraged that demonstration. There is no suggestion they did. Our own judgement would be, if we could assist you in forming your opinion on this matter, that it would be appropriate to open the gallery at this time and proceed in the normal course.

Mr. R. F. Johnston: Mr. Speaker, if I might

just further the points of the Leader of the Opposition with which I am in agreement, a group of people came in subsequent to the galleries being closed and they did behave themselves and there were no demonstrations. I do not know why they left or what the circumstances were—

Mr. T. P. Reid: Boredom.

Mr. R. F. Johnston: It could have been boredom. But I would suggest you do have the power to close the galleries again if there is another demonstration. We have had an example that people have come in without any problems and I would suggest that we open them again. We have people here who are guests who have not been misbehaving.

Mr. Speaker: My information is—and I do not think all honourable members are aware—that there was a rather serious altercation which took place in the corridors on the third floor. Whether there is a demonstration in this chamber, or in this building, no demonstrations are allowed inside the doors of this building. It was of a serious enough nature that I made the decision to close the public galleries until 8 p.m. and I am going to stick with that decision.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Piché: Mr. Speaker, last Tuesday evening when the House adjourned, I was unable, thanks to the frequent enthusiastic interjections of the members opposite, whose encouragement and support I greatly appreciated, to complete my remarks on the inflation restraint program. I will endeavour to make my concluding remarks as brief as possible.

I have attempted to impress upon the members that restraint means different things in the north than in the south. As a result of restraint priorities, the people of the north must forgo an improvement to the air ambulance service which is so vital in providing access to health care and services.

Mr. Boudria: So you want to buy another jet?

Mr. Piché: Yes.

As I indicated, we accept this because we

realize that failure to adopt a restraint program at this time would compromise the government's ability to maintain and deliver existing services and programs. I concluded my remarks on Tuesday evening by urging the Premier (Mr. Davis) to reject the alternative policies being pressed upon him by the opposition. I said I believed those policies to be dangerously short-sighted.

During the course of this debate, much has been said about the need to create jobs. I have not heard anyone argue against the fact that job creation should be a priority. In fact, I believe I heard the Premier say that sustaining and creating employment should continue to be this nation's highest priority. There is no argument, then, on this point.

We differ on means, not ends. Some members advocate policies that I believe are essentially temporary relief. Were we to follow their advice we would find ourselves faced with the same problems in the not too distant future.

This government with this restraint program is attempting to create jobs. We have also, through programs I discussed earlier, created jobs. More important, through the restraint program and through its May budget this government is attempting to establish a positive climate for real economic growth. Only by helping revitalize the private sector can this House guarantee secure employment and job opportunities for the people of Ontario.

The current recession has taught us in northern Ontario a very hard lesson. We are now painfully aware of just how vulnerable our resource-based economy is to the fluctuations of the international market. The restraint program cannot alleviate, nor is it designed to alleviate, the difficulties that attend this condition. However, I believe this problem must be addressed if we are ever to have stable and sustained economic growth in the north. With this in mind, and speaking as a representative of northern Ontario, I caution my colleagues not to lose sight of the fact that this program can be one element, and an important one, in a comprehensive policy for economic recovery.

I would impress upon the House the need to continue to explore and develop strategies for the economic diversification of the north. I agree with the Minister of Northern Affairs (Mr. Bernier) that the government's role in northern development must be an active one. We must provide the basic infrastructure necessary for economic development while leaving room for private sector initiatives. The government's

inflation restraint program will assist this effort by helping to restore private sector confidence.

I have addressed only a few of the issues that I believe are of paramount importance to the people of northern Ontario. I am sure those topics will be well covered, and we have heard much about them already. I wanted to ensure that the interests and aspirations of the people of Ontario, especially northern Ontario, were not forgotten in the course of this debate.

Cochrane North is a long way from Queen's Park, and sometimes I think we are prone to forget that what we do here may affect the lives of people in northern Ontario in ways we do not intend. It is not easy for us to go to them either, and it will be harder now without the jet. I wanted to ensure that the interests of the north were reflected in our deliberations and received the consideration they deserve.

M. le Président, je suis heureux de reprendre la parole aujourd'hui. Je reprends donc les grandes lignes de mon discours de mardi soir sur le programme de restriction budgétaire.

Dans le cadre de cette restriction, le Premier ministre a cru bon de sacrifier l'acquisition du jet Challenger. Cet appareil devait être utilisé également comme ambulance aérienne, s'ajoutant ainsi au système qui dessert le nord ontarien depuis juillet 1981.

Donc à cause de la période de restriction budgétaire avec en plus la pression constante faite par l'opposition pour contremander l'achat du Challenger voici qu'encore une fois, les gens du nord seront privés d'un équipement important, sinon vital, pour le transfert d'urgence des patients qui nécessitent des services médicaux non disponibles là où ils se trouvent.

3:30 p.m.

Le Président (M. Cousens): Is the honourable member speaking to Bill 179?

M. Piché: I can assure you that I am, Mr. Speaker.

Même si l'Ontario est le chef de file dans le domaine des services ambulanciers aériens, l'addition du jet aux cinq autres véhicules desservant déjà le nord aurait contribué à améliorer notre système ambulancier.

Face à l'attitude cynique de l'opposition au sujet des intentions du gouvernement ayant trait à l'utilisation de l'avion de Canadair comme ambulance, je dois ajouter qu'ils ont constamment ignoré le potentiel qu'offrait l'appareil comme véhicule d'urgence.

Néanmoins, le gouvernement connaissait à fond les modifications qu'il fallait apporter à

l'appareil pour l'utiliser comme ambulance. Le gouvernement comptait ainsi desservir un plus grand nombre de personnes dans la province assurant donc l'optimum de service médical à la population ontarienne.

Certes, le nord de l'Ontario a peut-être perdu une ambulance aérienne, seulement pour une courte période, nous l'espérons, mais nous avons obtenu deux bombardiers d'eau. Ces appareils contribueront à protéger une richesse naturelle d'une grande valeur, ainsi que des emplois dans la région.

Le Premier ministre a affirmé être certain que les habitants du nord de l'Ontario comprendraient qu'il est nécessaire, à l'heure actuelle, d'imposer des restrictions. En tant que citoyen du nord, je peux assurer le Premier ministre que nous comprenons très bien: nous traversons une période où tous les Ontariens doivent faire des sacrifices pour assurer leur prospérité.

L'économie du nord de l'Ontario repose sur la base relativement étroite que constitue l'exploitation des ressources primaires, en particulier les industries minières et forestières. Les employés de ces industries travaillent très fort et apportent une contribution importante au bien-être économique de la province.

La récession mondiale actuelle se traduit par une baisse de la demande et elle a des répercussions néfastes sur la production, le volume des ventes et, par conséquent, l'emploi dans le secteur des richesses naturelles.

Au cours du débat, on a beaucoup parlé des problèmes entraînés par le chômage dans le nord. Je suis certain que nous serions tous ravis si l'Assemblée législative avait le pouvoir de légiférer pour augmenter la demande et permettre aux personnes mises à pied de retourner au travail.

M. Roy: M. le Président, sur un point d'ordre: Je voudrais dire au membre qui parle présentement que ses remarques sont très à propos et on va s'assurer que le Premier ministre a une traduction sur toutes les remarques qui concernaient le jet. Pour cela on va vous assurer qu'il y a une traduction. Mais, malheureusement, même si je trouve son discours fort intéressant, je veux continuer à l'encourager de parler et je lirai chaque mot dans le Hansard.

Le Président: That is not a point of order.

Hon. F. S. Miller: Sur le point d'ordre, M. le président: Comme vous le savez ce n'était pas le Parti conservateur qui a changé la politique de ce parti, c'était le Parti libéral qui a demandé la vente du jet.

Le Président: Maintenant, le membre pour Cochrane North.

M. Boudria: And not a moment too soon.

M. Piché: Malheureusement, nous n'avons pas le pouvoir d'exiger de nos clients étrangers et canadiens qu'ils consomment une plus grande quantité de nos ressources.

Cependant, nous pouvons établir des politiques visant à créer un climat qui augmentera la confiance des investisseurs et du monde des affaires et qui, par le fait même, accélérera la reprise économique. Nous pouvons encourager d'autres autorités et agents économiques à agir de la même façon.

Nous pouvons aussi faire ce qui est en notre pouvoir pour amoindrir les effets de la récession sur la population et instaurer des programmes qui aideront les gens jusqu'à ce que nos politiques de relance économique donnent des résultats.

Je crois que le gouvernement a pris toutes ces mesures. On a beaucoup parlé des deux premières mesures, et je ne ferai maintenant qu'une seule observation sur la troisième.

Lorsque nous parlons de moyens de réduire le chômage nous parlons généralement de création d'emplois. Sur ce point, l'opposition soutient que l'intervention du gouvernement est inadéquate.

Bien sûr, je regrette cette affirmation. L'intervention du gouvernement a été dictée par la nécessité d'apporter une aide à court terme sans adopter de politiques qui compromettraient la reprise économique à long terme.

Le gouvernement a introduit des programmes de création d'emplois axés sur les secteurs les plus touchés par le chômage qui offrent en outre les plus grandes possibilités de création directe et indirecte d'emplois. Les cinq programmes spéciaux de création d'emplois des gouvernements fédéral et provincial, qui ont fourni jusqu'à maintenant 31,230 semaines de travail à 2,125 travailleurs mis à pied, présentent un intérêt particulier pour le nord.

Les travailleurs du nord ont aussi bénéficié du programme de stimulation de l'emploi à l'intention des territoires non municipalisés qui sont administrés par le ministère des Affaires du Nord.

Pour terminer, je demanderais instamment au Premier ministre de rejeter les suggestions peu judicieuses de l'opposition. A mon avis, ces messieurs préconisent des politiques qui mettent en danger l'avenir économique de la province. Ils persistent à croire qu'il existe une "solution

miracle." La plupart d'entre nous ne partagent pas cette opinion.

J'estime que le programme envisagé de restrictions nous mène dans la bonne direction et qu'il créera les conditions qui non seulement accéléreront la relance économique, mais permettront à l'Ontario d'en profiter pleinement.

3:40 p.m.

Mr. Sweeney: Mr. Speaker, when this debate opened up, the Treasurer (Mr. F. S. Miller) remarked that he was going to sit through it all; he was going to be here, he was going to listen and, I suppose, respond from time to time. Quite frankly, I did not believe it. I thought before we were finished he would chicken out and say he had had enough. I want to compliment the Treasurer, I really do, for sticking to it.

However, I want to say to the Treasurer and to the member for Cochrane North (Mr. Piché), who just spoke, that the whole argument is typical of the problems with this legislation. My colleagues have spoken about it before. The public outside this chamber just do not believe what he is saying to them.

While I support some of the intent of this legislation, while I support what the government is trying to get at under this legislation, or at least making a beginning to get at, I cannot support it the way it is now, and I certainly cannot support it after listening to the member for Cochrane North.

I do not deny for one minute that the member's constituents in northern Ontario have many needs, but I can tell him that a lot of my constituents in southwestern Ontario have needs too. So do a lot of constituents in Metro Toronto and in eastern Ontario. If every one of those needs and wants is met, then we will not have a restraint program.

We do not have a restraint program. That is the whole problem. We have the government bringing forward a piece of legislation and saying it is restraint. Yes, it is restraint—on one small group of the public of the province—but it is not restraint on anyone else.

First and foremost, it is not restraint on the government itself. My colleagues have given ample examples of that. They have talked about the Ministry of Northern Affairs having 42 information people. It was something like that; I forget the exact figure, but it is fantastic. They also talked about the Ministry of Energy—I notice the minister is not here now—whose budget increase is something like 194 per cent.

The list goes on and on about what the government is doing. Just a few days ago we had

a question in this House about the director of the Urban Transportation Development Corp. spending \$120,000 to get facilities at a yacht club. We talked about the Minister of Industry and Trade (Mr. Walker) setting up a new office in Brussels. On and on the list goes.

Is it any wonder that the public outside this Legislature do not believe what the government is saying? Surely one of the purposes in this debate and in the public hearings that will follow this debate is that they are going to have an opportunity to say that to the government face to face.

Therefore, what are we faced with? We are faced with one very small step towards economic recovery in this province. But that is all it is. Let us not kid ourselves that this piece of legislation goes much further than that, because it does not address itself to the real need, which is for an economic recovery program in Ontario. It does not begin to address itself to the restraint on prices paid by all the people in this province, including the public servants, who are going to be restrained further by this legislation.

When we were given this legislation and the overview, it was very clear how tight the wage part of this legislation was. On the other hand, when we look at the price portion, look at what we see, Mr. Speaker.

The overview presented to us on September 21 says, for example, that such things as GO Transit, the Ontario Northland Transportation Commission, Ontario Hydro and Ontario Place will be reviewed. They will not be controlled or restrained; they simply will be reviewed.

Look, Mr. Speaker, at what is exempted completely: prices charged by school boards, hospitals and municipalities; they are not going to be restrained at all. Those that are completely excluded include the Residential Tenancy Commission and the Ontario Housing Corp. And the list goes on.

Once again, is it any wonder that people outside this chamber do not believe what is happening inside, when they see that one group of people in Ontario is going to have its wages restrained but that the price structure of everything in Ontario is hardly going to be touched at all?

The question was put to the Minister of Consumer and Commercial Relations (Mr. Elgie), who is supposed to be responsible for monitoring all this. He said, "After all, we have to allow for a cost pass-through."

If Ontario Hydro goes out and bloats its expenses and costs in ways we have argued

against so often in this Legislature, we have to allow that to pass through. If landlords in this province can go out and manipulate the sale, resale and resale again of their buildings and bloat their costs, we have to allow those to pass through.

I want to ask the Treasurer and the government, what about the pass-through of the costs of the people who are having their wages restrained? How do we take those into consideration? How do we allow a pass-through of their increased costs of food, rent, mortgages, clothing and medicine? How do we pass those through?

It is tempting to listen to the argument of the Minister of Consumer and Commercial Relations when he says we have to be fair and realistic and allow for these kinds of pass-through costs. If one is to do it on one side of the table, one has to do it on the other side of the table as well.

A group of young people, teaching assistants at the University of Toronto, visited me in my office a couple of days ago. What is happening to them? As teaching assistants, these young people have the number of hours they are permitted to work limited to 10. They are not allowed to work more than 10 hours and yet, because they come within the purview of this legislation, their increases will be only five per cent. Why? Because even though their annual incomes range anywhere from about \$2,000 to \$5,000, those are going to be prorated as if they were working 40 hours a week. But they are not allowed any more than 10 hours.

To what extent is that kind of injustice going to be tolerated in this legislation? I sincerely hope that before we are finished, when we have the public hearings, these clear injustices are going to be dealt with in the amendments. I am going to support this legislation for second reading only so we can get it into public hearings and so we have an opportunity to make the amendments that have to be made.

A few nights ago I was talking on the telephone to a young man, a public servant who works as a clerk in the Ministry of the Environment. He told me that in April 1982 the association of which he is a member signed a contract with the government of Ontario for an increase of 10 per cent, plus a little, as of January 1982, and an increase of 12 per cent, plus a little, as of January 1983. We know now that as of January 1983 that 12 per cent increase is going to be cut back to five. That is a contract that is already signed.

The thing that really rubbed him was that when they sat down and negotiated, they accepted the concept of a lower increase in 1982 because they knew they were going to be able to pick up a little more in 1983.

I want to say to the Treasurer that the contract with those people was signed in good faith. The lesser increase was accepted in 1982 versus 1983. Are we going to take that factor into consideration when we look at the unbalanced impact on various people in this province?

The same young man indicated to me that he, and apparently a number of colleagues with whom he had discussed this issue, would be prepared to take the five per cent increase in January 1983 as long as there is equity—and this is the critical point we eventually have to come to in this legislation—as long as everyone else had to bite the same bullet, as long as the government itself had to bite the same bullet and as long as prices of the necessities of life were restricted by the same amount.

I would like to make it very clear to the Treasurer and the government that this legislation's only hope of achieving public credibility and public support is in the public's perception of its fairness and equity; if it is apparent that everyone will be dealt with in the same way and that prices are to be restrained the same way some people's wages are.

We all know only too well that a large number of citizens in the private sector are already being restrained. The most recent figure shows there is something like 474,000 who are restrained to the point where they have no work at all. We know there are many more whose jobs are so tenuously held that they will be getting no increases at all. We also know that average increases over the past number of months, where granted, are below six per cent.

For the majority of private sector workers, we do not have to talk about restraint; it is already there. But there are others who are not being restrained. These groups have been described already. We know of the contractual deal with the doctors. That must be reflected in this legislation in some way or its whole credibility is in trouble.

If we want to know how bad things are in Ontario and why there is need to take some dramatic economic action, all we have to do is look at the September 1982 Economic Accounts Bulletin put out by the social and economic data centre. On the very first page it says the gross provincial product continued its downturn for the third consecutive quarter with a drop of 2.2

per cent; total business investment expenditure slumped 5.9 per cent; business investment in plant and equipment dropped 6.8 per cent; Ontario's exports fell 2.8 per cent, and corporate profits fell 17.5 per cent.

That is the economic report by the government itself. We have very serious economic problems in this province. The only way to deal with them is by some form of total action plan. We know that a wage restraint program—and that was all it was—was tried at the federal level in 1975. We know that during the period it seemed to work. But we also know that immediately afterwards everything went back to its inflationary state. That happened because there was no post-restraint program in place. The same thing will happen here.

There is no evidence as yet that this government has a post-restraint program in place—I hope it has one—or that it will use this period to get something ready. If it does not, we are asking a lot of people in the province to go through increased economic pain for nothing.

I strongly suggest that while many people in the province are quite prepared to shoulder their fair share of the burden, they are not prepared to do it for no gain whatsoever. They want to see that there is a total economic recovery package in place or at least beginning to be put into place. They want to have some sense that the economic pain and suffering they are being asked to go through now is going to lead to something better later on. That is what we have to show to the people of this province.

We have been told by some of the government officials that the total amount of money that will be saved by the government in this program is "somewhere in the neighbourhood of \$500 million." It has been suggested by others who have spoken before me in this Legislature that that is money we are going to take out of certain people's pockets; it is money that is not going to be in the economic structure of Ontario.

What we as legislators have to remember is that it is equally true that it is \$500 million that will not have been taken out of the pockets of all the taxpayers of Ontario. We are talking about something in the neighbourhood of 8.5 million men, women and children who directly or indirectly pay taxes into the Treasury of Ontario. That money also has to be considered as out of the pockets of the taxpayers of Ontario. If we do not take it out of their pockets, they are still going to have it and that money will still be in the economy of Ontario. I think we have to look at it that way as well.

We as legislators and politicians have to be told from time to time that the entire public base of Ontario rests on the private base of the province. If we do not have private workers and business people to generate the income of Ontario, then we do not have any money in the Treasury to pay for the health, social, educational, transportation, energy services and so on that the government provides in the name of the people for the people. We do not have any money to pay for the salaries of the thousands upon thousands of public servants who are involved in those programs.

Therefore, as part of this total economic recovery program, we have to be very cognizant of the private sector in the province as well. We have to recognize that the kind of restraint it is going through right now is very serious. A few minutes ago I mentioned the number of people out there who have no jobs and who are not going to get any increases, and those who, although they may get some increases, will get very small increases indeed.

My colleagues have spoken about the agricultural community in this province. My colleague who is the agricultural critic for our party has pointed out that in every sector of commodity pricing, except those that come under the marketing boards, farmers in Ontario are going to lose money this year. They are going to lose something in the neighbourhood of \$150,000 an acre of productivity, no matter which area they are in. When those same farmers go to their banks next April to buy their seed and fertilizer to get going for the next season, they are going to have a very difficult time indeed.

We know about the thousands upon thousands of small business bankruptcies in this province. That is part of the private sector that supports the public sector. I have not heard the Treasurer or any members of the government party who have already spoken indicate whether they are going to use their leverage through the Ontario Development Corp. or the Board of Industrial Leadership and Development to have those companies that receive grants, assistance or support, in some way also restrained by this type of legislation, as has been done at the federal level. I hope some member of the government party will indicate to what extent they are going to use that leverage to spread the effect of this a little more widely, a little more equitably and a little more fairly.

4 p.m.

Mr. Speaker, if we really want to get a sense of what inflation has done to the people of Ontario

over the last eight years, we need only be reminded of the fact that, in total, wages have gone up somewhere in the neighbourhood of 123 per cent; at the same time prices have gone up 116 per cent. In other words, whatever increases working men and women in Ontario, whether they be in the private or the public sector, have been able to gain over the last eight years, for all practical purposes they have been wiped out by the increases in prices.

As a matter of fact, I saw a quick calculation just a few days ago which showed that if a worker whose salary in 1973 was \$10,000 a year had received that average 123 per cent increase he would now be up to \$22,384, but that the real net gain this worker would have made over that eight-year period would be only \$658. That is not much of a gain over the past eight years. That is part of the total program we have to be aware of when we are looking at any kind of restraint, any kind of economic recovery.

The Premier (Mr. Davis) in his opening remarks indicated over and over again the need to have a national program. He pointed out all the reasons a provincial program in isolation just simply is not very effective. If the Premier really believes that, if the Treasurer really believes that and if the government of this province really believes it, then why was there not some attempt to work out a co-ordinated national approach to the entire restraint and economic recovery needs of Canada and of Ontario?

Why, for example, did Ontario need to come in with a set of figures that were just sufficiently different to cause a lot of confusion? I am not sure it was for any other reason than simply to be different. If the government is really serious about some kind of national program, then I would think it would have taken the opportunity to dovetail, to integrate what it wanted to do in Ontario with what was being done in other parts of the country.

We have said very clearly that there are needs that must be met. We have heard about a private paper, a confidential document, if you will, which was put out by the Provincial Secretary for Justice (Mr. Sterling), which indicated there could be serious social disorders, particularly among the young unemployed in this province, if something is not done. The Minister of Colleges and Universities (Miss Stephenson), who is responsible for manpower training, has said that they are now finally going to have to go to industry and insist that industry participate in the needed upgrading and training of people.

Also, the Minister of Industry and Trade has indicated that a \$1-million program that gives grants to small businesses to help them improve their productivity, management, training and export expertise, has been cancelled, and this is used as an example of government restraint.

Yet, what do we see on the other hand? The Minister of Municipal Affairs and Housing (Mr. Bennett) has announced they are going to spend yet another \$1 million on an advertising program to encourage the people of Ontario to participate in municipal elections.

We all agree participation in municipal elections is important, but is it necessary for the province to spend \$1 million on advertising on top of the millions of dollars it is already spending on advertising? I have to question that. I have to wonder whether the people of Ontario do not see through that charade, where \$1 million is taken out of a program that would have some possibility of building upon the economic recovery of Ontario and \$1 million is used in a way which is totally inappropriate.

Perhaps the editorial writers of my own home-town newspaper, the Kitchener-Waterloo Record, caught it most succinctly. There was an editorial in that paper on September 14 when there was a leak about some of the possible programs of this government. I want to read one paragraph from that editorial because it really pulls it all together.

It says, "But then not even the Premier has ever pretended to be more than a smart politician whose leadership has been carefully crafted to keep feathers smooth within the bounds drawn by frequent opinion polls." Last February, the Premier of Ontario said he would not introduce such a program as he has now introduced; in September, we see the program in.

We have to ask why. As the editorial points out so clearly and so pointedly, it is simply because he, once again, along with the Treasurer and the government, has read the polls. The polls say something like 65 per cent of the people of this province support this program, and that includes union and non-union households.

We have to ask ourselves, "Is that so surprising?" Sure, the majority of the people of the province support this program. Sure, the polls say they support this program. It is not money out of their pockets, for the most part. It is somebody else who is being shafted. That is why they support it to a large extent. It is something we have to be aware of.

If the government is really serious about

turning around the disastrous economic situation in this province—and from its own economic bulletin there can be no doubt that is what it is—it needs a lot more than this five per cent solution. We need an economic recovery program. We need the government of Ontario to show by action rather than words it is going to restrain itself. We need a clear restraint on prices so the people who are affected by a restraint on their wages are going to get half a chance to make up, at least.

I want to say to the Treasurer of Ontario and to the Premier they can ram this bill through. They have the majority and we know it. But if they do not include those other criteria as well, they are wasting their time. One or two years from now, we are going to be right back where we are today; there will be no significant change.

As a member of this party, I am quite prepared to work to have this legislation improved to the extent that it genuinely is going to help people in this province, people in the private sector as well as the public sector. I am willing to work towards that. The government, however, simply uses a majority to shove through the bill that is there now and it is going to have to pay the price—morally, socially, economically and politically.

Mr. Laughren: Mr. Speaker, as I look around me, I feel I should make a vow that I shall never again notify my colleagues when I am going to be rising to speak on legislation in this chamber. Oh, here they are now.

4:10 p.m.

I want to express my dismay about what happened earlier this afternoon. If the Speaker had wanted to, I think he could have allowed the galleries to be reopened and then cleared them if a problem arose, but by closing them for the afternoon, he was making an assumption, which I think he had no right whatsoever to make. If this chamber as a whole wanted to make that assumption, then perhaps the chamber could make such an assumption, but not the Speaker himself.

It is a credit to our discretion that we allowed the decision to be made as it was and we did not challenge the Speaker's ruling. Quite frankly, as I look back upon it, I wish now that we had. Anyway, perhaps that can be worked out; I understand the House leaders have been talking about it. But fundamentally, that was a wrong decision to make.

When governments bring in legislation that is

as arbitrary as this legislation is, it is inevitable that people are going to react in a way that does not please the government. No matter what group of people in society that applies to, that is simply inevitable.

I do not feel as the member for Kitchener-Wilmot (Mr. Sweeney) does about the Treasurer (Mr. F. S. Miller) being here all during these debates. I thought that member was most gracious in his comments to the Treasurer, but I would have been more impressed if the Minister of Labour (Mr. Ramsay) had been here.

It is completely beyond my comprehension that the Minister of Labour—of Labour, not of labour and industry—first, could agree to this kind of legislation and continue to sit in that cabinet, and second, even if he agreed to it, would not feel compelled to sit in this chamber and follow the debate and listen to the arbitrary measures we feel are being imposed on working people—those whom the Minister of Labour is supposed to be looking after—and hear how this legislation is going to have an impact on those who basically are his constituents all across Ontario. It is very sad indeed that the Minister of Labour is not here.

The last time I looked at the list, he was not even on the speakers' list.

Mr. J. M. Johnson: He will be on.

The Acting Speaker (Mr. Robinson): Please ignore the interjections and continue to speak to the bill.

Mr. Laughren: Perhaps I can add him to the list now.

Perhaps it explains why the Minister of Labour responded in the way he did this afternoon, when he referred to the "monkeys" over on this side. If one is as embarrassed at one's own legislation as perhaps he is, I suppose one then resorts to that kind of language when one is responding to the opposition.

Mr. Speaker, if anyone should have led off this debate for the government it should have been the Minister of Labour, because basically this is an antilabour piece of legislation. The Minister of Labour should be here explaining how he views it, at least. Why is he not here listening to what we are telling the government about what this legislation is doing to the people of Ontario?

We in this party are accused of wanting too much government, wanting to control too much, to intervene too much. Here, we are opposing this kind of intervention, intervention in the collective bargaining process.

We are saying to the government: if ever we thought that there could be controls that are equitable, then we could support them too. We are not in principle opposed to the whole idea of wage and price controls, but we are saying that these are not fair. The labour movement is telling the government that this legislation is not fair. My colleagues have laid it out very clearly.

The previous speaker for the Liberal Party indicated he did not like this legislation. I am not going to try to put words in his mouth, but if I heard him correctly, he was saying he did not like this legislation but was going to vote for it to get it out to committee to try to make it better. I think that is what he was saying.

I would just suggest that one does not have to vote for this bill in principle to have it go to a committee to be amended. There is no relationship between those two things at all. One can be fundamentally opposed to this legislation and still have it sent to committee and still have it amended. There is no contradiction in what we are saying. It makes no sense to vote for this bill in principle—in principle, I emphasize—and justify it by saying he wants it to go to committee. I do not understand that kind of reasoning at all.

Mr. Mackenzie: He does not understand the bill.

Mr. Laughren: Perhaps they do not, but I would guess that by the time this debate is over, by the time the people affected by this legislation have talked to the members of the Liberal caucus, and other trade unionists have talked to the members of the Liberal caucus, and they themselves have looked at it with some kind of thoughtfulness, there will be some people in that caucus who will have a great deal of difficulty when it comes to supporting this bill in the end—even more so when finally they justify it to their constituents.

I really believe that. I am not saying that to taunt the members of the official opposition. I believe it is going to become increasingly difficult to live with the decision to support this legislation because basically it is very unfair legislation.

I have always felt that collective bargaining was something special and was one of the measurements of a free society. I do not believe that it is just my view as a Democratic-Socialist or as a member of the New Democratic Party in Ontario. I believe that if a survey were to be done around the world of what it is that makes a society free, one of the common components to be found would be free trade unions. There

cannot be a free society without free trade unions. This does not allow for a free trade union movement in the public sector in Ontario. I do not think that is simply a partisan statement from this side. That is one of those fundamental measures of freedom in a society.

Only about a year or so ago we were debating—and deploring, as a matter of fact—the action of governments in Europe and the crushing of the Solidarity trade union movement in Poland. It is ironic now to be debating the crushing of free collective bargaining in the public sector in Ontario.

This will go down in the annals as one of those fundamental errors the government made. I believe the government made the error when it responded to what it sensed was said by the Gallup poll. When a Gallup poll is taken there are all sorts of ways a question can be asked and the sins of omission in a Gallup poll are more than what is actually contained in the question that is asked. We all could put questions out there. I have seen some questions on members' riding reports—not in this caucus, of course—that were designed to elicit very obvious responses, so there was no doubt what the replies would be.

Mr. Boudria: Do you mean they were loaded questions?

Mr. Laughren: They were loaded questions.

Mr. Boudria: Would members actually do that?

Mr. Laughren: Absolutely.

When they put a simplistic question on the Gallup survey they are going to get back an answer that does not take into consideration all aspects of what that question involves. I believe that is what has happened in this case and that the government will come to understand that. They will not back off now. They have their majority and it is a couple of years away from a provincial election. That is why it is only a one-year program with some spillover into the second and third years. It is basically a one-year program, and that is why they are doing it. I suspect that is why the Liberals are supporting them too.

I have always thought that arbitration was more an employer's tool than an employee's tool; yet, here even that is being taken away because of the possibility that some arbitrated award might be more than the government wants it to be in the public sector. I really did not think that I ever would have to stand in my place in this assembly and argue, first, that contracts

be honoured by the government, and second, that there be rights to collective bargaining on behalf of the employees of this government.

I knew that we would always have our ideological differences when it came to the ownership of resources, the distribution of income, and equal pay for work of equal value. I always knew that we would have such differences but I never dreamed that I would be on my feet arguing for the obligation of government to honour its contracts and to recognize the rights of people who work for the government to bargain collectively. I never thought I would be standing in my place and doing that. Well, here I am.

4:20 p.m.

We know the government has to be seen to be taking some action. That is basically what it is all about. The economy is in bad shape and it must be seen to be doing something.

When I see the Treasurer sitting there, I look back two or three years to when I had the pleasure of being the Treasury critic for this party. I can remember laying out some of our concerns and quoting from some of the government's own documents about some of the structural deformities in the Ontario economy. I remember the Treasurer standing in his place and telling me we always looked on the dark side, that we were talking of doom and gloom and we were simply trying to scare people. He would stand up and lay out his scenario, his figures.

One that sticks in my mind is his argument about investment intentions, how investment intentions were up 41 per cent for the following year. Now that the Treasurer is living with the silliness of his projections because of what has happened to the economy, I hope he gets some satisfaction that in those years he was able to pull it off, to get away with his view of the world through pink-tinged glasses—sorry, rose-coloured glasses.

Mr. Wildman: Never pink.

Mr. Laughren: I retract the word "pink." He was not being honest in his projections. It is as plain and simple as that.

It served the Treasurer well to give us those loaded projections, which I believe to this day were deliberately misleading projections. I have absolutely no doubt the Treasurer was laying those projections on us because it suited his purpose well to be looking at the economy as though it was better than it really was. Other-

wise, he would have had to answer questions he simply could not answer.

Hon. F. S. Miller: Mr. Speaker, that is unparliamentary.

Mr. Laughren: What did he say?

The Acting Speaker: The member for Nickel Belt might want to reconsider his earlier remarks as drawn to my attention by the Treasurer.

Mr. Laughren: I do not really think I did anything that was unparliamentary. What I said was—

Hon. F. S. Miller: Mr. Speaker, he said I was using deliberately misleading information.

The Acting Speaker: I would ask the member for Nickel Belt to reconsider that remark in light of the Treasurer's comment and to consider whether he wants to leave it on the record or withdraw it at this time.

Mr. Laughren: I will withdraw that remark and mischievously substitute a word that still gives the impression. I am not trying to be antagonistic but I firmly believe the Treasurer used figures that would give the impression the economy was in better shape than it really was and than he knew it really was. That is what I am trying to say.

When a Treasurer stands on his feet and says things are quite bad and we simply have to make some structural changes in the economy, he has to deal with his friends in the private sector who say: "Keep your hands off the private sector, Mr. Miller, my friend. We will look after the problems out there." The Treasurer did not want to do that.

Mr. Wildman: He is just a Pollyanna.

Mr. Laughren: Well, I am very hard on this Treasurer because I can remember clearly how hard he was on us when we tried to say to him that the structural problems were more serious than he was admitting. He heaped scorn on us and said we were being typically "doom and gloom." I do not forget that because, as is customary when a Treasurer of a province speaks, people often listen much more closely than they do when opposition politicians speak. I recall that vividly. I have always resented it. I get no satisfaction out of drawing it to your attention today, Mr. Speaker, because I know you must find it offensive too.

This legislation has really been put in place to give the impression something is happening. It is easy and it is breezy. It does not accomplish anything but it is easy and breezy. There is a third word I was going to add that rhymes with

easy and breezy but I thought, no, I will have the Treasurer on his feet again accusing me of being unparliamentary.

Mr. T. P. Reid: What word would that be?

Mr. Laughren: Well, what goes with easy and breezy?

Mr. R. F. Johnston: Queasy?

Mr. T. P. Reid: Sleazy?

Mr. Laughren: I do not want to pursue this any more.

I would ask the government members whether or not they would agree that what they are doing is primarily symbolic in that they are saying, "It may not solve all the problems, but it is a signal to the rest of Ontario that we are serious about containing inflation." I do not think I am being unfair when I capsule it in that way. It is a symbol or a signal that the government is going to be serious about containing inflation. That is what I think the government members believe.

Mr. Jones: I think it would be one of the things.

Mr. Laughren: Okay, that is one of the things they would say. But is it fair for the government members to be so selective in the symbols or signals they are giving out there? They have not done that to everybody. That is what we find so terribly offensive.

Considering the cost of living in the last year, I do not know how the government justifies being so selective. If we were living at a time when there was no problem, then they might find it easier to justify picking out one segment of the population. But I do not know how they do it.

In these figures that are for the year ending August 1982, I see that the overall index is up 12.7 per cent. The government is not dealing with the reality of that and what it means to people. Housing is up 13.1 per cent; food is up 11.7 per cent. In Toronto, it is 12.8 per cent, as a matter of fact; in Thunder Bay and in Ottawa it is 12.2 per cent. The control that is being put on bears no relation to what is happening out there.

I know members will say, "Of course, if you want to lower that figure you have to lower expectations and wage demands and settlements." But that does not for one minute deal with the whole question of selectivity, of how the government picks out this one group and says, "You have been designated as the symbol." That is what is so grossly unfair. We do not understand how the government can put in place a program that does not include some

redistribution. We think there simply must be redistribution of income in any control program.

That is what I was trying to say earlier when I said that the Labour Party in Great Britain imposed controls, but before it did, it established a social contract with the trade union movement. In my view, this government could not establish a social contract with the labour movement in this province. There is no trust there.

But rather than say, "Well, there is no trust, so we will just impose controls," the government should work towards the day when there will be that kind of trust between government and the labour movement. If they ask, "How do you do that?" I would mention their occupational health laws that are not being enforced. There are ways in which you build trust with the trade union movement. The government simply has not done it and is not even working at it.

I will not get personal about what is happening with the Minister of Labour, but it is not good. There is no reason for labour in Ontario to trust this government, to have any sense that what it is doing will be done fairly. There is no trust out there.

We have great difficulty with this legislation. It is for the public sector only and the lower end of the income scale is going to be hurt the most. I have grown used to seeing what I would call working-class-biased legislation in this chamber, but this has to be among the worst. It is so obvious.

Look at the minimum wage. My colleague the member for Scarborough West (Mr. R. F. Johnston) has done a yeoman's job of highlighting the inadequacies of the social assistance programs in the province. In connection with the minimum wage, about which my colleague the member for Hamilton East (Mr. Mackenzie) talks so much, there are 13 jurisdictions in Canada, including the federal government and the Yukon, and we rank 11th out of 13 as far as the minimum wage is concerned.

We are still the most industrialized province in Canada. We have our problems, but we are still the most industrialized province. Why do we rank 11th out of 13? Government members wonder why we and labour in general do not trust them. They wonder why there is the anger they saw spilling over this afternoon. They wonder why there is such cynicism about what they are trying to do.

4:30 p.m.

I look at the minimum wage as a percentage of the average industrial wage, so we are not

comparing a minimum wage in Prince Edward Island against a minimum wage in Ontario when the average industrial wages are different in the two provinces. Let us look at the minimum wage as a percentage of the average industrial wage to see how they compare over a period of time.

In May 1975 the minimum wage was 47.1 per cent of the average industrial wage. In 1976 it was 47 per cent. In 1978 it was 42 per cent. In 1979 it jumped up to 43, in September 1980 it was 37, and in May 1982 it was 36.3 per cent. So according to the most recent figures I have, in Ontario seven years ago the minimum wage was 47.1 per cent of the average industrial wage and in May this year it was 36.3 per cent. So the minimum wage is falling even further behind the average industrial wage. On a comparable basis, people at the minimum wage are worse off now, compared with their fellow workers in the province, than they were seven years ago.

Governments should not allow that to happen. I do not know how often my colleague the member for Hamilton East has been on his feet prodding the Minister of Labour to do something about the minimum wage. We know where the lobby comes from on the other side, but the government has an obligation to make sure the minimum wage does not get to that embarrassing level of 36.3 per cent of the average industrial wage.

That means people earning a minimum wage get not much more than a third of the average industrial wage. Do they think that is right? Those people are out there working too. They happen to work in an industry that is probably not organized with a trade union. It may be seasonal. It may be a service industry probably employing a lot of women. What has that got to do with equity and being fair to the work force out there? Nothing at all.

What does this legislation do? It does absolutely nothing in terms of redistribution of income in Ontario. So we get very angry when we see legislation being brought in that does this to people when there are all those other obvious problems out there that they simply refuse to deal with.

We know it does not cure inflation one bit. I defy anybody to give us any indication of how this legislation is going to cure the rate of inflation or reduce it. I am going to go through my interpretation of this bill. I am glad government members are here because I know they will correct me if I am wrong on my interpretation of any parts of this bill. I would expect they will interject to make sure I do not get it wrong.

On the control program: These collective agreements which are now in effect and which expire between October 1, 1982, and September 30, 1983, will continue unaffected until their expiry date. At that time, the compensation plan in the agreement is extended for a period of 12 months following the scheduled expiry date and compensation rates for people covered by collective agreements shall be increased for that 12-month period by five per cent.

All other terms and conditions of the collective agreement which do not have a monetary impact may be amended by agreement of the parties. I underline "agreement of the parties," and will come back to that.

The compensation rates and all monetary benefits are frozen except for the allowed five per cent increase in compensation rates. Further, all other provisions of the collective agreement are continued in force except those which do not have a monetary impact and which the parties mutually agree to alter.

Does the government really think the civil servants in this province are so stupid they are going to buy that hogwash? What kind of nonsense is that? How dare the government call that bargaining? The Treasurer is going to be responding to that.

Mr. Mackenzie: I do not think they are stupid; I think they are dangerous.

Mr. Laughren: Yes, that is probably true. Those employees now covered by a collective agreement that expires after October 1, 1983, will continue to receive the compensation under that collective agreement until the anniversary date of the agreement which falls between the period October 1, 1982, and September 30, 1983. On the anniversary date, the collective agreement is extended for a period of 12 months without any change except those which may be mutually agreed upon, as outlined above, and subject to a five per cent increase in compensation rates.

For example, the Ontario Public Service Employees Union's collective agreement for its clerical workers is in effect for the period January 1, 1982, to December 31, 1983, and provides for an 11 per cent increase scheduled to go into effect on January 1, 1983. The next increase will take place this coming January. It will not be allowed. Rather, the five per cent increase in the compensation rate for the period January 1, 1983, to December 31, 1983, is mandated, and that rollback to five per cent from the 11 per cent already agreed on—a binding contract, everybody thought—will get

rolled back to five per cent. That means a loss of \$1,084 for the average clerical worker.

Does the Treasurer understand what I am saying? Workers go out and bargain very hard with their employers, collectively, under the laws of the land, and they come to an agreement, the second part of which is to take place in January 1983. Then this government, in as arbitrary a measure as I have ever seen, says, "No, we are tearing up that contract. You are getting five per cent."

Why were they told they could bargain collectively in the first place? Did it not mean anything? What about every single contract made with people out there from this day forward? It means nothing. They are saying, "We do not trust you."

If one signed an agreement to lease furniture for an apartment in Toronto for a two-year period, and at the end of one year the landlord said, "I am tearing up that agreement. It is not good. I want more," the landlord would be told, "You cannot do that. That is an arbitrary measure. I will go and see my lawyer." But the government is preventing that because it is changing the law itself.

I hope somebody will tell me that is fair and explain it. I do not know how they will do that. It is not as though they are starting after everybody's contract has expired. Then we could have a different debate about whether or not it was fair. But to apply it to people who have already signed a contract in good faith, to tear it up on them.

They would be furious if someone did it to them personally, but they do not mind doing it to someone else. I do not know how they justify that. That is breaking a bond and it is fundamentally wrong. It shows a disrespect for the law among people who are often calling for more law and order. I do not understand it. They are the law and order freaks, not us. Then they tear up a contract based on the rule of law.

Interjections.

The Acting Speaker (Mr. Robinson): Please ignore the interjections and continue addressing the bill.

Mr. Laughren: I am not a lawyer but I have been told all my life that I have to obey the law and that I have to obey contracts when I sign them.

Constituents often come to my office and say they do not like something that has happened—they bought a car or they did not like a lease they signed after they bought something from a

vendor. I say, "Did you sign a contract?" "Oh, yes, I signed a contract." Then I say, "Boy, that is a binding contract. You are not going to get out of that one."

From now on I am going to tell them to tear up the contract. "Why should you obey it? Your government does not." I am going to tell them that, because the government has taken away respect for the law that a lot of people had, by tearing up contracts and by rolling back binding agreements. Those people would not for one minute have been allowed to change those contracts, but the government hesitates not a minute to tear them up.

4:40 p.m.

It is the selectivity of it that is so outrageous. I want to hear from the government members on this point. I have heard government members on their feet during this debate but I have not heard them talk about that. I have not heard them plead they were not really tearing up contracts. I have not heard one of them say that. I have not heard any of them say they were not rolling back negotiated increases.

One day the Treasurer tried to say, "We are not taking money out of anybody's pocket." But if somebody has negotiated a binding contract to get an increase of 11 per cent on January 1 and the Treasurer says, "No, it is five per cent," can he tell me that is not taking money out of his pocket? Of course it is and he knows it. If somebody increased the Treasurer's rent arbitrarily, he would know it and say, "That is taking money out of my pocket." He cannot have it all his way.

Some of the government members look a little dubious about the argument I am making respecting laws, but the government has taken something away from the people of Ontario. I think it is respect for law. I know I do not have the respect I had before and I am supposed to be a lawmaker in this chamber. But I do not trust the government any more. I do not respect the way it makes laws and then tears up those laws when it suits its own politically expedient purposes. That is what I do not like.

Third point: All employees whose collective agreement expired during the period October 1, 1981, and prior to October 1, 1982, shall have the compensation plan—as it is called—extended for a period of 12 months immediately following the expiration date, and the employees may receive an increase in compensation rates not to exceed nine per cent for that 12-month period.

It is arguable that the parties to the collective agreement are free to negotiate other terms and

conditions under the agreement, provided the increase in the compensation rate does not exceed nine per cent. At the expiration of the 12-month transitional period—as it is called—the compensation plan is to be extended for an additional 12 months with an increase in the compensation rate of five per cent.

Thus, for example, if a collective agreement expires on November 10, 1981, and has not been renewed, the compensation rates will be increased by not more than nine per cent for the period November 10, 1981, to November 9, 1982, following which there will be an increase of five per cent for the period November 10, 1982, to November 9, 1983.

I might add the legislation speaks of an increase of not more than nine per cent. It does not say it must be nine per cent. Disputes between the parties as to the amount of that increase up to nine per cent are to be resolved by the Inflation Restraint Board where the parties are unable to agree.

Somebody must also tell me why employers should agree, if it will just go to the Inflation Restraint Board and Mr. Biddell will make the decision—that is, assuming he has enough money to get to the meeting. I am a little worried about Mr. Biddell being able to meet all his own personal obligations during this period. It is a one-year program presumably, but in some cases it is a three-year program. I do not know whether Mr. Biddell is on a one-year program of his own on this or whether he is on a two-year or a three-year program. I did not get from the press release as to when Mr. Biddell was to be disposed of.

Mr. Cooke: He will probably get five years' severance pay.

Mr. Laughren: Yes. He will get \$70,000 a year. That has to be supplemented when he leaves.

I have dealt with one-year and two-year agreements. Now let us look at the three-year. I hope government members will understand that certain agreements will have expired a year ago but in some cases new agreements have not yet been signed.

Collective agreements that expired prior to October 1, 1981, are dealt with in the following manner: The period from the date following the expiration of the agreement, the anniversary date prior to October 1, 1982, is determined. The amount of increase in compensation rates during that period is to be set by the Inflation Restraint Board.

Thus, for example, if the collective agree-

ment expired on July 1, 1981, compensation for the period July 1, 1981, to June 30, 1982, is to be determined by the Inflation Restraint Board. That is year one.

The compensation rates for the next 12 months shall be increased by not more than nine per cent. That is the example I am using.

The compensation rates for the period July 1, 1982, to July 1, 1983, may be increased by not more than nine per cent with disputes between the parties as to the amount of the increase to be determined by the Inflation Restraint Board. So now we are up to the second year of that contract. Compensation rates will be increased by five per cent for the next 12-month period. Accordingly, for the period of July 1, 1983, to June 30, 1984, the five per cent increase in compensation rates is in effect.

What I have tried to outline is what happens with people who have not signed a contract since 1981 and are faced now with being under controls for a three-year period. Is that equitable? Who knows what they would have been trying to bargain for during this interim period up to now? He has taken that all away from them.

My colleague the member for Hamilton East raised a devastating example today during question period—the Niagara region health care nurses—and got no answers at all from the Minister of Labour.

The more I think about it, the more offended I am at the Minister of Labour absenting himself during the debate on this legislation. It is his government's legislation. It affects the people he is supposed to be protecting. Here we are debating it and he absents himself. I know he has all sorts of important meetings. He is a cabinet minister. I want to tell the members that the working people in this province would have more respect for him if he absented himself from a meeting, listened to the debate in here and perhaps took some advice from the opposition. He will not do that.

Mr. Wildman: The invisible Minister of Labour.

Mr. Laughren: The invisible Minister of Labour, yes. I do not understand how he can justify people being under this legislation, some for one year, some for two years and some for three years.

There has also been a lot said about the Inflation Restraint Board. I will not dwell on it but the Inflation Restraint Board has the right to determine compensation increases with no hearings necessary and no reasons for the decisions required.

There was an interesting exchange in this chamber on September 27, Monday last. The member for Port Arthur (Mr. Foulds) said:

"Mr. Speaker, I have a question for the Treasurer. Can he confirm my impressions and interpretation of Bill 179? Can he confirm that the arbitrary powers of the Inflation Restraint Board include the following five: one, The right to not hold any hearing whatsoever on any matter referred to it; two, the right to make any order, decision or determination without any hearing and without giving any reasons, written or otherwise, for the decision; three, the right to deny any increase at all for the so-called transitional period when a dispute is referred to it. Therefore, the so-called nine per cent solution could be a zero per cent solution if Jack Biddell so decides.

". . . the board, for a collective agreement that expired before October 1981, has the sole right to determine unilaterally the increase which could be as low as zero per cent. Finally, a fifth is the board has the right to award to non-unionized public sector workers an increase of as little as between zero and five per cent in the control year itself. Can he confirm whether these five immense arbitrary powers are in fact within the purview of Bill 179?"

The member for Port Arthur sat down at that point and the Treasurer stood up and said, "Mr. Speaker, I believe the member is correct on each one."

I am telling the government members, and I should be talking to the Liberal members too, it is beyond belief what they have done in this legislation. I ask them if they really, in their hearts of hearts, believe that in a free and open democratic society any board should have any one person with the kind of power not to hold any hearing whatsoever on any matter referred to it, the right to make any order, decision or determination without a hearing, or, without giving any reason, the right to deny any increase at all?

It is incredible legislation.

Mr. Treleaven: It was an incredible performance this afternoon up there.

Mr. Mackenzie: You want to put some people in jail, do you?

Mr. Treleaven: You want anarchy in this chamber.

Mr. Mackenzie: Horse manure.

4:50 p.m.

The Acting Speaker: Order.

Mr. Laughren: I find it very strange that the member for Oxford (Mr. Treleaven) is interjecting, because there is a member who takes great pride in the legal profession. I have heard him express in committee how he is very proud to be a lawyer, to have worked in his community, to have built up his reputation and to represent the legal profession. He really believes that. I am not making light of that.

But I do quarrel with the fact that somebody who takes such great pride in the legal profession, and presumably the rule of law, could get more upset about a demonstration over arbitrary legislation than he does against breaking faith and legally binding contracts, and destroying people's faith in the law itself. He takes more offence at a demonstration against arbitrary measures than he does at the arbitrary measures themselves.

Mr. Treleaven: I understand what happened in the gallery but I don't understand the NDP members.

Mr. Foulds: The member feels free to yell but denies them the same right. What kind of hypocritical double standard is that?

The Acting Speaker: Order.

Mr. Foulds: When you call order, Mr. Speaker, call order on that side too.

The Acting Speaker: I called order on that side first, I would draw to the attention of the member for Port Arthur (Mr. Foulds).

Now we have order all over, and I would ask the member for Nickel Belt to continue.

Mr. Laughren: I really am offended by the member for Oxford's contention and concern about decorum, as opposed to civil liberties, because that is basically what we are talking about here. One cannot have civil liberties in a society that makes binding contracts under existing legislation and then condones the tearing-up of those binding contracts. One cannot have it.

I do not understand how a member such as the member for Oxford can condone what is being done. It is one thing to be discriminatory in the distribution of income. I understand that; it is an elitist view of the world but at least we understand it. We understand the pecking order out there.

We understand that for a long time people on social assistance had been regarded as less than honourable people in our society by the government. We understand the way the government views those people. We disagree with it fundamentally because the government has

built a society for the young and the swift, both physically and mentally. They are the ones for whom we do not need to build a society. The young and the swift, physically and mentally, will be able to compete and get along out there just fine. But what they have failed to do so miserably is look after those people who are not so young and so swift. That is an ongoing condemnation of this government.

We know that wages among the labour movement have not kept up with inflation. We know that low-income people are already suffering, that Ontario is 10th in Canada in social assistance levels. We know that we rank 11th out of 13 in the jurisdictions in Canada in the amount of the minimum wage. We know the Inflation Restraint Board has arbitrary powers not becoming a democratic society. We know this bill tears up contracts already negotiated in good faith, and makes mockery of those people who plead respect for the law.

Put simply, this is class-based legislation of the very worst kind. The arrogance of power is not a new phenomenon in Ontario. We have seen it before. What is new is how selective its application is in this case. Previously we saw discrimination against minimum-wage workers. We have seen discrimination against women, discrimination against injured workers and discrimination against people who receive social assistance.

I am sure somebody on that side sat down and said, collectively I am sure: "Who is the next most vulnerable group in society? None other than our own employees, the civil servants of Ontario."

Think about that for a moment. Think about who is at the bottom of the scale in that respect out there. Put them on a scale: social services recipients, minimum-wage workers, injured workers, women, elderly people. Tell me who is next on the list. We know who is next. It is the people to whom this legislation applies.

That is why a lot of people out there are nervous; they do not know who is next. But I will say this much; If I were a member of a private sector trade union and I saw what this government was doing to its public sector trade union people, I would be extremely nervous. They know, because of the second bill that is going to be coming in, the government is simply salivating for the chance to apply this kind of legislation to the private sector as well. Of course they are or they would not have introduced the second bill. I would be quite happy to hear

something that explains it differently as to why they want to do that.

I have had some calls to my home and to my constituency office since this legislation was introduced and, I might add, not all from public sector employees. As a matter of fact, there were remarkably few from them. They have been phoning here in Toronto. In my constituency office a lot of the membership of steelworkers and mine-mill workers—private sector trade unions—have called. They expressed surprise at—and I always have difficulty communicating this to them—the support of the Ontario Liberals for this legislation.

For years I have said the Ontario Liberals are more antilabour than the Ontario Conservatives. I have always made that point in my speeches to constituents and elsewhere in the province. Now finally this is the first clear exit from the antilabour closet of the Liberal Party of Ontario. It is truly remarkable to see the social services critic, the Education critic and the Labour critic for that party supporting this legislation. I am puzzled by it.

I know it is simplistic for me to say the Ontario Liberals are more anti-labour than the Ontario Conservatives because there are several ways one can measure degrees of anti-labour sentiment. I have always felt that and it has been confirmed by their behaviour on this legislation.

When this legislation was introduced, this party did not simply oppose it; we said we had some alternatives. We recognized there were problems in the Ontario economy; that we should be saying it now again, when we have been saying it for so long, is a bit ironic, but that is the way the system works. We have always said that when the economy is balanced, the budget will be balanced.

The budget will be balanced when we have an economy that does not have the structural deformities which the then so-called Ministry of Industry and Tourism admitted about three or four years ago in a report. Its own report talked about the structural deformities of the Ontario economy; that report was dead on. It talked about the number of imports we should be replacing. It talked about how our economy did not have a good balance in terms of more sophisticated high-technology goods. The science centre has been telling them that. Everybody has been telling the government that. But they know on balance what they always said; what the government has always said: too much

intervention. They were afraid of intervention and they still are.

What has happened very simply—and I do not think I am being unfair—is the result of lack of intervention. The priorities of the people who make the major investment decisions out there are not the priorities of most us in this chamber, not even of members of the government party. Their priorities are not ours, but we allow them to go on as though they were. Certainly, even if their priorities were those of many of the members of the government party, they are not those of the people of this province.

5 p.m.

I do not have to look beyond the Sudbury area. The members of the government party are pleased with Reaganomics. I can remember one member sitting over there who had Ronald Reagan up to speak to his riding association as a fund-raising event. There is nothing wrong with that, but it is an indication of which altar he visits; that is where he is wrong.

I look and I find some things very offensive. In the Sudbury area we are experiencing probably the most dramatic fallout of Reaganomics in Ontario, and this is the invitation I received when I opened my mail the other day: "The president of Laurentian University and the president and chief operating officer of Falconbridge Ltd. announce the first in the 1982-83 Falconbridge lecture series, called The New Economics, by Robert A. Mundell, on Thursday, September 30, 1982." That is tonight at 8 in the Fraser Auditorium at Laurentian University.

Here is Laurentian University, a public institution, in co-operation with Falconbridge, sponsoring a speaker on the new economics. Laurentian is going to suffer, as all other public institutions will suffer, because of the new economics, because of Reaganomics. We understand what high interest rates do in terms of repatriating dollars from all around the world back to the United States. We understand that. Some of the members should understand that. Laurentian university should understand that. Falconbridge sure does.

As we look at the situation in the Sudbury area, we wonder whether we really need this person to come to Sudbury to rub our noses in it. Do we need that? I am offended by this. I just came to this in my mail or I would have spoken about it before now and I would have spoken publicly in Sudbury. I am offended by this and I wish there were more time to organize. I wish there were 500 people there tonight to listen and

to ask questions of Mr. Mundell. God forbid that there should be a demonstration; it might offend the member for Oxford (Mr. Treleaven).

What we find so offensive is that there seems to be no understanding over there of what is happening to our economy. I could talk for a long time about problems in the Sudbury area. There is no shortage of recommendations for turning that community around. Tomorrow morning at 10 o'clock my colleague the member for Sudbury East (Mr. Martel) and I will make a major presentation in Sudbury on what we see as the solution. It is very reasonable and thoughtful, I think, and I hope there will be some response. We will send our suggestions to the members of the government party and to the appropriate cabinet ministers.

Over the years I have read virtually all the reports that have come out dealing with the Sudbury area and how to resolve some of the problems there. There are shelves of reports, federal and provincial, recommending at least partial solutions. They are put out by their own bureaucrats and their own ministries. What do they do with them? They do nothing with them. I am not exaggerating; they do nothing with these reports.

I have one report about an inch thick, called *Toward a Nickel Policy for the Province of Ontario*. It is a well-written report. I do not agree with everything in it, but so what? There are some extremely positive and constructive recommendations in there. That was published in 1977; it is now 1982. If the recommendations of that report had been put in place, even selectively, we would not be in the dire straits we are in now.

I cannot solve all the problems. But every time this government commissions a study or a report—going to some expense to do it, with the people of Ontario paying, of course—and then ignores it, it is doing an injustice. It is dishonest; it is really and truly dishonest.

I can remember the select committee that looked at the Inco and Falconbridge layoffs in 1978. It was an all-party committee—I think the member for Hamilton East (Mr. Mackenzie) was on it as well—that worked very hard. It was a tough committee—it heard a lot of testimony, hammered out some compromises and made some specific recommendations—but not a single recommendation was acted upon by the government, not one.

Mr. Jones: Is this a Sudbury debate, or is the member speaking to the bill?

Mr. Laughren: We are talking about the economy in Ontario. I want to get to the contribution of the member for Cochrane North (Mr. Piché) to the debate, but that can wait for now.

When there are recommendations that will help turn things around, the Treasurer ignores them. After a while people get discouraged and cynical.

I recall earlier this year that the regional municipality of Sudbury passed a motion to spend \$78,000 to improve Sudbury's image. Quite frankly, I was horrified. Then the layoffs came along, the shutdown, the extension of the shutdown and more layoffs. The region decided it had better not proceed with that \$78,000 until the air had cleared a bit. I thought, "My goodness, if there is anything that destroys Sudbury's image, it is its roller-coaster economy and pollution."

One could take a survey and ask people their impression of Sudbury. Those are the things that would come back: pollution and roller-coaster economy. They might not use those exact words, but that is what it would be; not the nice lakes, the people or the forest, but those two very negative things. That negative image of Sudbury will change when the reality changes and not before; nor should it.

The Treasurer cannot con the world that way. Change the reality and the image will change quickly. The Treasurer cannot play games of that kind with people. Who is he kidding? We are not all stupid. I am always puzzled by how this government manages somehow to—I should read the note I just got. It says: "Please work in the bill—Bill 179. The Speaker." Yes, I will get back to that.

What I am trying to get at in a roundabout way is that the answer to Ontario's problems is not to clamp down on employees of the government; it is to get on with a serious program of replacing a lot of those goods that we import into the province right now.

When I think of some of the things that members of the government party have called for—my goodness, I heard the member for Cochrane North, in a very eloquent speech the other night—

Hon. Mr. Leluk: It was a great speech.

Mr. Laughren: I just said that. Stop repeating what I say.

In a very eloquent speech the other night, the honourable member said the Premier should not have sold his jet, he should have kept it so he could use it for an air ambulance. I am not

misquoting him. He was very eloquent in his demands.

Then I heard the member for Sudbury (Mr. Gordon) last week calling for a public inquiry into Inco and Falconbridge. He said, "It is time we looked into the possibility of a crown corporation for Inco and Falconbridge." Can members imagine? That is what he said.

Before that, I heard the member for Algoma-Manitoulin (Mr. Lane) call for standardized gasoline pricing across Ontario. I heard him call for that. I heard the member for Nipissing (Mr. Harris) say he did not think the province should put money into mining machinery in Sudbury because it would take away from the mining machinery business in North Bay.

I heard the member for Kenora (Mr. Bernier) and the member for Sudbury say that the discriminatory pricing practices Ontario Hydro is going to put in place this winter is wrong and that they will fight it. Then I picked up the paper and saw that Ontario Hydro was going to do it anyway.

5:10 p.m.

I look at these very prominent members of the government party because, after all, one of the reasons they got elected was that they said if they were on the government side they would have more power and therefore people should vote for them. There are these very prominent members of the government party making these demands, and not one of them is listened to. Does the government not care about them? They might as well be opposition members.

Mr. Gillies: Oh no.

Mr. Laughren: Well, what are the advantages of being a member of the government party? To the constituents, I mean; we know what the advantages are to the member himself. I wonder what the advantages are to the government or to the constituents.

There are all these demands for action, and their government does not listen to them. I think it is time we had some defections. But we have a very tough litmus test on this side. We would rather defeat them at the polls than welcome them as defects.

Mr. Kolyn: That's "defectors."

Mr. Laughren: Unless, of course, one happens to be a country lawyer who has seen the error of his ways and decides that after all it is time to respect the law. Then we would seriously consider it.

Mr. Martel: You are not calling for processing at source.

Mr. Laughren: Yes, I forgot that.

Mr. Martel: That's a key one.

Mr. Laughren: The Minister of Natural Resources (Mr. Pope) was calling for processing our minerals at source.

Mr. Foulds: His ministry.

Mr. Laughren: His own ministry. He does not even obey himself. That is the danger of talking to yourself, I suppose.

I did want to talk about Sudbury a little bit, because we could bring in this bill and apply it to every civil servant in Sudbury with the addendum of reducing their salaries to zero and it would not solve a single problem. It would make matters worse, as a matter of fact.

Most civil servants in the Sudbury area right now are very concerned, because the government and I know that as the economy of that community declines so will go jobs in the public sector: teachers' jobs, civil service jobs, jobs at Laurentian University, jobs at Cambrian. The public sector in that community is dependent to a very large extent on how the private sector thrives. That is why there is so much concern.

I look at a community like that with so many problems. For a year now we have known there are serious problems, and I defy the members opposite to tell me of one substantive measure taken by this government in a community facing 30 per cent unemployment.

Mr. Foulds: Name one.

Mr. Laughren: I am not asking for 50; I am asking for one substantive measure.

You look a little scared, Mr. Speaker. I was not expecting an immediate answer, but I ask members of the government party to tell me of one substantive measure. There are all sorts of make-work projects that have a very limited life—

Mr. Brandt: What about the regional workmen's concept? Did that help at all?

Mr. Martel: That was 1976.

Mr. Mackenzie: That's how far out of it he is.

Mr. Martel: What about the wiping out of the Ministry of Correctional Services' 225 jobs? You Tories wiped out Burwash and opened up a new institution in Snow's riding. Don't tell me what you've done for Sudbury, you beggars.

Mr. Foulds: Go back to sleep, Andy.

The Deputy Speaker: The member for Nickel Belt has the floor.

Mr. Laughren: Thank you, Mr. Speaker. As a matter of fact, the action that caused the most concern in Sudbury was not the job creation but the destruction of jobs when the government closed Burwash. Is that not remarkable? The most substantive thing the government has done in the Sudbury area was negative. That is a very sad commentary on one of the major communities of this province.

Let us talk about very basic wealth creation for a moment. I do not know of any community in Ontario that has created so much new wealth as the Sudbury basin—I mean real new wealth—for 75 years. When I see what is happening to it now, I know it is simply not right. One does not take a community, squeeze it like a lemon and then, when finished, throw it away or discard it. One cannot do that. One minute those members are extolling the virtues of the work ethic and the next minute they are punishing those who believe in it so strongly. I do not understand that.

I hope some day the chickens will come home to roost, because the government has done precious little in the Sudbury area. When my colleague the member for Sudbury East and I make our presentation tomorrow, we are going to be sending members copies of our presentation; and we are going to expect some answers, not only from the government side but from others as well, and we will not let them just shrug off our suggestions.

I am glad the member for Oxford is still here. Does he really believe the government can take a group of miners, smelter men, people who have worked in the mills for us for years and years, and move those people from jobs with a relatively high wage level to unemployment insurance, and from unemployment insurance to social assistance, without some very serious repercussions? Does he really think they can do that?

I am glad the member is shaking his head. May I suggest that he bloody well do something about it? He is not doing anything now. If he thinks we have problems now in Sudbury, wait until next spring when unemployment insurance benefits expire. We are going to have very serious problems. I am warning the members of the government party that the day is gone when one can do something glossy, without substance. That day is gone.

I recall the then Minister of Industry and Tourism, now the Minister of Health (Mr. Grossman), coming to town on his white charger and announcing a resources machinery

development centre, which was going to spend \$19 million or \$20 million and create—

An hon. member: Nineteen jobs.

Mr. Laughren: Nineteen jobs; \$1 million a job. We have found out since then that this resources machinery development centre is going to consist of no scientists and will make no machinery. I ask, what is that? What kind of beast is it? It is a resources machinery development centre that will have no scientists and make no machinery.

The report we received in a brown paper envelope said it was going to be 10,000 square feet and would be located next to Sudbury's new tourist attraction, the science centre of the north. Does that not tell one something about the attitude of one's government? We demand, the people in Sudbury demand, that a mining machinery complex be located there, and the government's response is to build a machinery centre that will neither build machinery nor have any scientists who can design machinery. What kind of a response is that? It is a serious problem and they do not give a serious response. I put it very seriously that those days are gone. The government will not be allowed to continue to do that.

Back to the bill. I do not want to go on any longer, but I did want to make a couple of points this afternoon. First, the government is not responding in a serious way to the problems in the economy out there. The Treasurer who is still the Treasurer has deliberately avoided intervening even though the problems were brought to his attention many years ago; he has deliberately avoided it because he does not believe in that kind of intervention.

When it comes to the bill, the bill itself is grotesque; it is arbitrary. My colleague the member for Hamilton East has used the word "vicious." It will breed disrespect for the law in Ontario, and it will breed distrust between the labour movement and the government which should not exist in any jurisdiction. That is what is going to happen.

5:20 p.m.

The Inflation Restraint Board has been given such arbitrary powers that the government should be ashamed of it. No free society needs to have a board with those kinds of arbitrary powers unless it is trying to do something it knows will require those arbitrary powers or it would never get it through; and that is what it is. The government is fundamentally wrong in this legislation. If they want to bring in legislation

that turns this economy around, if they want to get a commitment from the people of this province, they can do it, it can be done; but it can only be done universally. They cannot say to one group of people, "We have decided to launch a crusade and you are the cannon fodder."

People in Ontario understand there is a problem. Everybody I talk to says, "Look, I know there is a problem out there. I know we have to do something." The people of Ontario would be willing to work towards a common goal, but only if they know it will be done fairly. They can see this is not fair. They understand. They are not stupid.

Just as I said earlier, the injured workers and the welfare recipients are at the bottom of the totem pole, so the government thinks it can pick on the civil service with impunity and that there is no support for them out there. They think the public at large does not really think much of them and the private sector trade unions do not like them. That is fundamentally wrong because this deals with principles that everybody respects; that is the difference.

By the time this debate is over, people will understand what the government is doing and, increasingly, people will rally against this bill; not because there has been a change of heart towards the person who answers the telephone when they call the Ministry of Health, but because they can see that rights are being taken away from somebody else. I wish I could remember the saying about taking rights away from other people until it finally gets to you, but that is going to sink in.

If the government thinks it can pit the public sector unions, primarily OPSEU and CUPE in this case, against the private sector workers, it is terribly wrong and it underestimates the intelligence and sophistication of working people in Ontario. They are not going to buy it. The government thought they would. It thought the Gallup poll covered attitudes of trade unionists as well, and it does; but it could not slip the bill through in the dark of night or I suspect it would, because when it comes to the light of day and is scrutinized and talked about in every union hall and every public meeting in the province, it is going to be seen for what it is. Opposition to this bill is going to mount. The government will live to regret taking the easy way out.

The victims of this bill are workers in the public sector; perhaps, some day, workers in the

private sector; and finally, the Liberal Party of Ontario.

Mr. Jones: Mr. Speaker, I sincerely appreciate the opportunity to participate in the debate on this program that I consider to be a demonstration of economic leadership by the government, by the Premier (Mr. Davis) and by the Treasurer (Mr. F. S. Miller).

There has been a lot of rhetoric, such as we have just heard from the member for Nickel Belt (Mr. Laughren). Not a lot of it is new. We had a sales pitch for him and another of the members for tomorrow, Friday, and we drifted back again into the Sudbury debate.

For a few moments I would like to touch on a some of the points I believe we need to be reminded of, points that came out in the first comments the Treasurer shared with us as he made his statement on the introduction of this bill. I heard comments about what the people of Sudbury may say and think, so I would like to share with the members what some of my constituents in Mississauga think.

The member for Kitchener-Wilmot (Mr. Sweeney) made quite a to-do about the fact that apparently there was no public support for this program of wage restraint. I am really curious about that. Certainly, that is not the feedback coming to us on the government side. I would have some questions and some curiosities to share with him.

I have talked with my constituents and they see this program as a very important step towards helping to return vitality to our economy. I think most people are aware that the responsibility for economic recovery does not rest with any one sector alone, either the private sector or the public sector.

Today, we had the demonstration in the public gallery, which has been mentioned during the debate. They appeared to be people from the public service who were complaining this package was not fair. When we talk about fairness and whether there is a difference between members of the private sector and members of the public sector, I think it is important to be reminded of a very basic fact. People who are employed by any level of government or by its agencies have one promise which no other worker in this country has: their employer is not going to go out of business and put them out of a job.

Mr. Philip: That's interesting. What about all your temporary workers?

Mr. Jones: Just a moment; we know full well

this is a tough time in the economy. The member for Nickel Belt shared with us the impact it is having on his home city and constituency and, as the members well know, that is felt across the land. It is in Mississauga as it is in Sudbury. As the member for Mississauga North, I know we have workers at McDonnell Douglas, de Havilland, Canadian Admiral and other stricken companies who would be glad to have a job at a five per cent increase.

It is not something that is strictly for Sudbury. Let us be reminded this legislation comes forward as an important step towards helping the program of returning our economy to the strength it has had in the past and must have again soon.

The Treasurer in his comments shared some important points with us. For example, last year we had an increase in our public sector employees of some 15,000 people. Projected over the next three years, that would be some 45,000. Those are dramatic figures to be sure. As I recall those statistics he shared with us, I believe a large number were in the area of teaching and health care workers, but it was in the public sector.

Some 50 per cent of government spending is in the area of salaries and benefits, and in hospitals and schools. Over 70 per cent of those budgets go towards payroll. If we, as a government, do not take serious measures to limit areas such as salaries, if they continue to grow in the public sector, this province faces a very real prospect of having such things as a change in the triple-A credit rating. I suppose it is easy for the member for Nickel Belt to talk about this legislation merely being symbolic and all of that rhetoric, but the fact is that a change from a triple-A credit rating to a double-A rating would mean increased costs on a \$2.5 billion contract, or on an issue of Hydro, of \$200 million of increased costs to taxpayers and people of this province.

5:30 p.m.

I think we had best not forget that one impact of a change of a rating would be to send some very important signals. It is not just symbolic, it would send very real signals to the people who have the responsibility of creating new jobs and choosing this jurisdiction versus others, and it would be very much a deciding factor in whether this is a place where people should invest and create new jobs and have confidence in this economy.

The opposition takes some delight in saying in its criticism that this is just a symbolic matter

but it is not symbolic. It is very much basic dollars and cents, and the measures we take as we go forward to give the kind of leadership this province must give at this point are very basic to the economy.

In the earlier part of the debate, members of the opposition very conveniently mentioned people they have heard complaining about the legislation. They were not too often prepared to share with us some of the comments that came from some very important parts of our economy. For example, I would like to share with the members a letter that was written to the Premier from the chairman and general manager, Mr. Ian Kennedy, of the Canadian Organization of Small Business. He says in part: "The five per cent ceiling is realistic and indeed overdue, a measure which recognizes the limits to which the Ontario taxpayer is prepared to support the growth of government, while all other sectors of the economy are being required to make drastic economies. The small business community strongly supports the restraint program and its application to prices administered by the provincial government."

In closing, he says: "While your government has shown an ongoing commitment to responsible financial management in many areas, COSB is encouraged at your decision to take this important step."

We know full well that the small business sector in this province is responsible for no less than 50 per cent of all new jobs. We know the attention this government gave in its last budget towards assisting that small business community so they could benefit in these difficult times; and of course we see them replying, as they did to the initiatives by the Treasurer in the recent budget. They are responding again and are saying to this government: "We know the reasons for your bringing forward this program and we support you in it."

We have not heard that from the other members and I thought I would share it with the House.

The member for Nickel Belt, in his comments, talked about jobs lost. He and other members from the NDP particularly mentioned jobs lost during the debate. They use rhetoric to tie this program in, claiming that this government, in concert with this further package of restraint, is not doing anything for new jobs being given priority in this province. Again, without going mentioned jobs lost during the debate. They use rhetoric to tie this program in, claiming that this

government, in concert with this further package of restraint, is not doing anything for new jobs being given priority in this province. Again, without going mentioned jobs lost during the debate. They use rhetoric to tie this program in, claiming that this government, in concert with this further package of restraint, is not doing anything for new jobs being given priority in this province. Again, without going into the whole litany of the individual programs that were contained in that last budget, let us just be reminded that there are some very substantial, important numbers.

Let us take two programs as examples. Our co-op program has some very important issues and areas of work which the two members from Sudbury maybe should include in their comments when they are giving their speeches up north tomorrow. For example, in the forest program of the co-op section, some 3,215 new jobs have come on the scene and a lot of projects are pending at the same time. That makes 47,000 or more work-weeks that have come out at a provincial cost of some \$10,571,000.

I wanted to share with the members that, while we have had comment during this debate that tends to say this government is advancing only this restraint program, it also has other programs that are bringing into place and preserving new employment opportunities. For example, the accelerated capital program in both the forestry and fishing industries, and the co-op program in forestry, mines, fish and parks have already brought about an additional 2,575 jobs—

Mr. Wildman: Temporary jobs.

Mr. Jones:—and we see projects pending at this time that indicate another 5,000 jobs on top of those already created.

Mr. Wildman: Temporary.

Mr. Jones: The member for Algoma (Mr. Wildman) can interject about such things as temporary jobs. I would venture to suggest that people are pretty grateful for those jobs, and I am glad to see him nodding in accord. As with some of his other interjections the member for Algoma sometimes must be kidding us just a little bit. He certainly was when he talked about the invisible Minister of Labour (Mr. Ramsay). He was not very invisible during question period when he was here setting the record straight about some of the people over there and some of their comments that go completely off the track and away from all reality.

The Canadian Organization of Small Busi-

ness wrote and conveyed their thoughts to this government, but I think it is also important to share the comments that are coming into our constituency offices from people in every walk of life. One letter from which I would like to share a couple of highlights with the honourable members is a letter that was written to the member for York Centre (Mr. Cousens) and received here September 28, so it is extremely current. A man by the name of A. J. Brown wrote to his member and referred to the decision to freeze the salaries of public service employees for a one year period, and he sincerely believes this is an important step that has been taken by this government. He says, "Please, please, do not give in to any pressure from the public sector, because in the long run it will benefit us all."

I think we need to be reminded the thought this man puts to his member is the type that people are increasingly sharing with us all. The member for Nickel Belt said the whole world waiting out there was not in support, but I suggest he should be taking a broader cross-section of the comment that is coming to us as members and that has been coming to this government.

One other thought that disturbed me in the recent comments by the member for Nickel Belt was his indication that somehow the members of the government of this province sat down and decided: "Now, who can we pick on? Let us pick on our civil service." It was clearly suggested that somehow or other there was a clandestine meeting and it was decided: "Aha! There's the target, and someone we can easily pick on."

This government's record in its relationship with its public service has been looked to by other jurisdictions around the world as one on a high level and with a rapport that has spanned many years and will go on for many years. Just as this man indicated in his letter to the member for York Centre, there is great awareness that this program has at heart the best interests of all sectors of our economy and this province, be it public or private.

5:40 p.m.

The last two speakers tended to pretend there has been no difference between public and private sector salary increases. We heard it implied, as we talked about the consumer price index, that the price indexes were somehow or other identical between the public and private sectors. I think we have to face the reality that is not so.

We saw consumer price increases in the first

half of 1982 of some 11.5 per cent. Yet even excluding oil and gas those in the nonmarket index were 14.5 per cent and those in the private sector market index something like 9.5 per cent. So there is a distinct difference.

There is an important gesture in both sections of this bill that is not just symbolic. It is the very important economic fact that this government is taking the lead in helping to reduce the inflation villain that is hurting our economy so badly.

I thank you, Mr. Speaker, and look forward to the debate as it continues in committee.

Mr. Ruston: Mr. Speaker, I would like to participate briefly in this debate.

The problem with Bill 179, known as the restraint bill, is of course with the people who wrote the bill. They do not know too much about restraint.

An hon. member: You would make a tougher bill?

Mr. Ruston: Yes, I think maybe I could.

I noticed recently while reading the help wanted columns in the newspapers—a habit I picked up from the years I had to keep an eye on them to find a job, and I have not quit looking—I noticed one of those jobs I have never been able to figure out: the public relations people the ministries need. The ads I have noticed in the past few weeks state applicants must be able to write up proper news releases and put to the public the good things the government is doing. Further down one reads that the salary range is \$35,000 to \$45,000.

I do not know why a government has to have such highly paid people to tell the public what is being done for them. I am sure most of the public know what the government is doing for them, and some of the public are not sure what the government is doing for them and wish it would do a little less. But I have not been able to figure out why they have to hire such high-priced staff to convey to the public the good things of the government.

Another strange part of it involves the great gallery behind the Speaker, where the 35 to 40 young ladies and gentlemen who report the news gather during question period. It has seemed to me, in the few years I have been around, that about 15 to 20 per cent of them end by coming down out of that gallery and into the one over behind the Speaker on the right-hand side and back behind the doors over there, where there are hidden walls and so forth—where they do the little work for their ministers, the executive assistants and so on.

It would appear to me they come here to report the news back to wherever they came from. After they have been here for a while they start eyeing up: "I am going to get a job from that minister or that minister because I am kind of specialized in that ministry and I will get his news out good." First thing we know, when they are hiring somebody he or she has a job.

I am not saying just the men, it is the ladies too. There have been articles in recent days about the new appointment in the Ontario Status of Women Council that has been handed to one who was a former press person and then right-hand person to the Premier (Mr. Davis). I am not sure whether her husband is connected with some public relations job in Kingston.

I do not know why the government needs to spend this kind of money. I have never been able to figure that out yet, although I have been involved in municipal government for eight years and now here going on close to 15 years. I must say this is one area where I think the restraint package should start immediately.

I am sure if this government ever sincerely put in a restraint policy, Greyhound and Travelways and all these other companies that furnish transportation would need special trains to haul them out of Toronto, because there are so many back around these little crevices in this building. There are an awful lot of crevices in this building where they seem to hang out.

The Speaker has sent me a little note here regarding Bill 179. I resent that, because if we are not talking restraint what are we talking about? That is what Bill 179 is. I really think that is a very important part of it. If they are going to restrict people's wages then they should restrict other things with it. I agree with the principle of what we are doing.

There are about 11,000 people working for Chrysler of Canada. Chrysler in the United States have just had a union agreement lately that they are voting on. The biggest increase they can get in the Chrysler contract in the United States is about 50 cents an hour over a period of one year from the contract date. That is including cost of living. They make \$9.70 an hour at present. That figures out at pretty close to five per cent. That is the maximum they can get for a whole year. They already make \$2.75 an hour less than those workers at General Motors and Ford.

Ford has come up with similar contracts to those General Motors accepted. In the General Motors contract, they are paid under the cost of living bonus that is allowed in the United States.

But they did get in their new contract a provision that within a year and a half they will come under the cost of living—that is in Canada. Of course the cost of living increase in the United States is about seven per cent a year while here it has been running about 11 per cent.

We must also remember that those employees of General Motors and Ford will be giving up something they received over the past six years—which is now increased to 10 days a year. This is a personal-day paid holiday they can have. At certain times of the year they may take one day at a time. But there were 10 days, so if the 10 days were taken away from them at a basic rate of about \$11.50 an hour, it is pretty close to \$1,000 that each of those employees is giving up for 1983.

There are many people who are under the restraint plan even in private industry. The real concern in my own area now the Ford settlement has been agreed to—at least by the union and it will be coming up for ratification shortly—is that they are now dealing with Chrysler.

5:50 p.m.

As the members know, Chrysler apparently is under some public funding in the United States and, of course, the government of Canada has agreed to supply funds if necessary beginning in 1983. Until now, Canada has not had to use the funds it has agreed to assist Chrysler with.

Another thing, if one really wants to have restraint, no one with any common sense or even a brain in his head—and I may be using a little strong language—would have gone out and bought Suncor for \$650 million. We are paying \$350 million this year, with interest on that at 15.5 per cent, and 14.5 per cent on the other \$300 million. That is not restraint. That is absolutely ridiculous. The government talks restraint. We feel it is time we had restraint, but if we can just get it into their heads, they have to use restraint on everything.

Mr. Kolyn: What do you think of Dome Petroleum?

Mr. Ruston: That is another disaster and so is Petro-Canada—gas stations scattered up and down the highway. I would say about that interjection I do not like to—

The Deputy Speaker: Even if he is not in his seat.

Mr. Ruston: After all, it is an interjection and it is recorded. Unless it is replied to, someone reading Hansard may be confused. They will probably be confused after my speech anyway; I would not want to do it intentionally.

Speaking of Petro-Canada and having government getting involved in business, my thought is that it is nice to have a window to look out. The government of Canada bought that window so Ontario did not need to buy it. As to Petro-Canada, if I were the Prime Minister of Canada or the Minister of Energy, Mines and Resources I would have all the retail outlets sold to private industry.

[Applause].

Mr. Ruston: I would have distribution centres put up in Ontario and all the rest of the provinces. Where people wanted to buy it, they would buy it from us as a distribution centre only.

I notice a little applause from those on the other side of the House in the blue chairs and blue suits. They applauded when I talked about getting rid of Petro-Canada service stations. I say the same thing about Suncor. It is absolutely ridiculous to be involved in that venture. It is really the height of stupidity.

For a Premier who seems to have a feeling for people to commit the province to a \$650-million debt when we are already in debt—and the Premier of Ontario knows more about debt than anyone in this House and any other Premier in Canada. He is the only Premier who even in the best of times has run a deficit. He has always had a deficit. He has always had what some Treasurers call a shortfall, but I call lack of cash. Mr. McKeough had that favourite saying—

Mr. Edighoffer: Net cash requirement.

Mr. Ruston: Net cash requirement—that was always a funny saying. People would ask, “What do they mean by net cash requirement?” I would say: “It is just to confuse you. In other words, if you farm all year and do not have any money at the end of the year then you have net cash requirements, I am sure.”

I heard the member for Windsor-Riverside (Mr. Cooke) the other night speaking briefly. He spoke for two or three hours. I listened for four or five minutes because he was not saying too much. But he said an interesting thing. I am no lover of the banks. I do most of my business at the credit union because I figure that is where people help one another. That is where they help me when I need it and maybe some day I can help someone else.

He said, “The only ones that made any money on high interest rates were the banks and their shareholders.” But he forgot to talk about his own members, other members around here and people in the public who put billions of dollars

in government bonds last November at 19.5 per cent interest.

Mr. Wildman: Name one.

Mr. Ruston: It was not me. But there were thousands of people in Ontario who did that and made 19.5 per cent interest.

I have never been in favour of high interest rates as a way of fighting inflation. The president of the Ford Motor Co. of Canada agrees with my feeling about high interest rates, which is that one does not have high rates to fight inflation.

The government has to do something similar to what we had after the last war when it put on credit controls. Over the last two or three years when inflation became high—and there were houses in my own area involved—when the Ford Motor Co. announced that it was going to expand, homes went from \$70,000—

[Interruption].

Mr. Ruston: Would the member shut his mouth back there or go and sit in his own seat.

The other night the member for Etobicoke (Mr. Philip) spoke for two hours and never spoke on the restraint bill at all. All he talked about was rent controls. If he wants to talk on this one, let him get down to his seat and ask the Speaker for permission to get up and speak or forever hold his peace.

The Deputy Speaker: Did he use parliamentary language?

Mr. Philip: On a point of order, Mr. Speaker, I did not just speak on rent controls. I talked about the Housing and Urban Development Association of Canada home warranty program. I talked about high interest on development. I talked about the construction industry. I talked about the terrible programs of the—

The Deputy Speaker: Order.

Mr. Philip: I am simply trying to correct the record, Mr. Speaker.

The Deputy Speaker: It is corrected.

Mr. Philip: I talked about Ontario Housing Corp. I did not just talk about rent controls.

Mr. Ruston: Mr. Speaker, thank you very much.

Mr. Philip: I even talked about the member for Lakeshore (Mr. Kolyin).

Mr. Ruston: What I was saying is that the member for Windsor-Riverside said the only people who made money on high interest rates

were those who owned the banks. Some of the large credit unions are certainly operating, to a degree, like a bank. They do not have high profits. The first time our own credit union had a loss was last year; it had a major loss.

But the high interest rates have certainly helped those people who have been savers all their lives and have been salting money away in that time. If we could only get them to spend that money now we could probably get the economy going a little better. I believe there is more money in savings accounts in banks and trust companies in Canada now than there has ever been. So we have to consider that.

Anyway, Mr. Speaker, I said I would be brief. I want to say that the farm population in my riding would thank me, and I am sure would re-elect me for as long as I want to run, if I could get them five per cent more for the next year than they got last year. In fact, I suppose I would be re-elected by acclamation. I would think the other parties would be afraid to run against me if I could guarantee them that, because in Essex and Kent counties, as the members know, we grow corn and soybeans—cash crop farming.

Our tomato crop is very good because it is under contract to the marketing board. It has done reasonably well. But the price of corn today is \$2.25 a bushel, I believe. The price of soybeans is about \$5.75 or \$5.80 a bushel. I defy anyone in this House, I do not care how good a ploughman he is or how straight a furrow he ploughs, to plant corn, look after it and harvest it for less than \$3.75 a bushel. I am sure some would say we need \$4.50 a bushel, and maybe we do, but I am saying that is about the minimum. For soybeans one has to make at least \$8 a bushel.

Mr. McClellan: Sounds like more than five per cent.

Mr. Ruston: The price last year was higher than it is now. The member would understand that if he read the market pages of the agricultural papers.

So maybe the biggest thing we have to do here is for the government to go on a restraint plan and stop wasting money, and the rest of us will get along with that five per cent for a 12 month period to get the economy going.

Thank you very much, Mr. Speaker.

The House recessed at 6 p.m.

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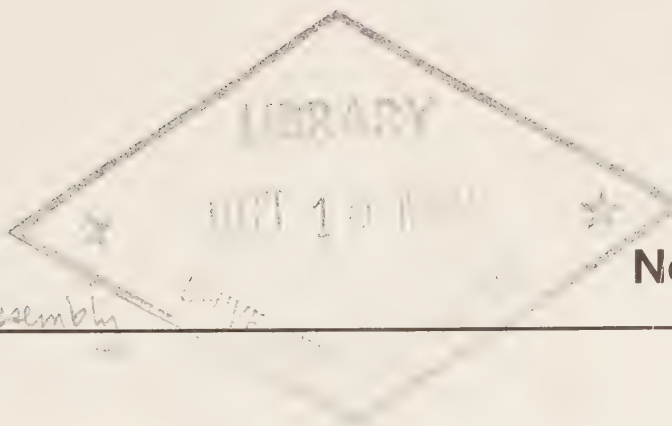
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No. 108

Legislature of Ontario Debates Official Report (Hansard)

Second Session, Thirty-Second Parliament
Thursday, September 30, 1982
Evening Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, September 30, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Wildman: Mr. Speaker, as I begin my contribution to the debate on this piece of legislation, I want to emphasize that I do this in a very serious vein because I consider this a serious intrusion on the basic rights of workers.

I received a copy of a letter written to the Minister of Labour (Mr. Ramsay), dated September 17, by Local 2446 of the Canadian Union of Public Employees, representing the workers at the senior citizens' home in Thessalon, a small town in my riding. I should emphasize that the people of Thessalon are not known for their radical approach to politics. For that matter, they are not really known for supporting anyone other than the Conservative Party both federally and provincially.

So it is really significant when we listen to the views of the people of that community, the workers who are affected by this legislation, when they write to the cabinet minister who is supposed to speak for labour. This is a comment they make: "The imposition of controls would only deny us our fundamental freedom, the right to free collective bargaining."

I am not aware of the answer the minister sent to the CUPE local or how he responded to that bold, very fair statement, which sums up the legislation we are debating today. In imposing these controls, this government, with its Liberal allies, is denying a basic, fundamental freedom in our democracy, the right of free collective bargaining.

Hon. Mr. Ashe: Baloney.

Mr. Wildman: I hear the Minister of Revenue say "Baloney." Does he not believe that free collective bargaining is a basic right in our democracy?

Hon. Mr. Ashe: You don't recognize the

reality of the times. That's the problem. That's where the baloney is.

Mr. Foulds: Basic rights are dependent on the reality of the times, are they?

Mr. Wildman: What really disturbs me even more than the legislation we are debating here in this House is the attitude that because of the perceived reality of the times we can, and I suppose the Minister of Revenue might say we must, deny basic rights. I do not want to overdramatize this, but throughout history we have seen some very serious moves done with the argument that they must be done, distasteful as they might be, because of the realities of the times.

I sincerely believe that once we move down that road, we have embarked on a very dangerous path that is open to many kinds of abuses. I am not accusing this government of attempting to deny freedom and democracy in Ontario or, for that matter, the Liberal government of wanting to deny that in Canada, but once we limit freedoms, no matter how small or how limited a group it is, then it is much easier to expand those limitations in the future.

We had this happen in 1975, when the federal government of the time imposed its anti-inflation package. I wonder whether it would be as easy for us today to have this kind of legislation imposed on us or on a small group, 500,000 workers in Ontario, if it had never been done before. Each time we do it, it is easier to do it again. It is something we should not treat lightly.

I must say I am most disappointed that the Minister of Revenue sees a basic right like collective bargaining, the right of workers to bargain collectively for compensation for their labours, as baloney.

Hon. Mr. Ashe: Don't worry about all the rest of the people.

Mr. Wildman: The Minister of Revenue says, "Don't worry about the other people."

Hon. Mr. Ashe: Don't worry about the reality of the times. Don't worry about the unemployed.

Mr. Wildman: Again, I do not want to be provoked into being overly dramatic—

The Deputy Speaker: Well, avoid the interjections.

Mr. Wildman: It is hard to, Mr. Speaker.

I honestly believe that if we limit the freedoms of any small group, we are degrading the democracy for everyone. To say that we must limit the freedoms of this small group somehow to benefit the majority denies one of the basic tenets of democracy, and that is minority rights. Not only must the majority rule in a democracy, but the majority must be very careful to protect the rights of the minority. Unfortunately, it appears that Minister of Revenue does not understand that.

As I was preparing to participate in this debate, I was reminded of a debate we had in this House last December, which was one of the few times when there was unanimous agreement in this House. On December 14, 1981, the government House leader (Mr. Wells) introduced a resolution that was seconded by the then Leader of the Opposition and my then leader and supported by all three parties.

8:10 p.m.

Obviously that resolution dealt with a situation that was very different in quality from what is happening in Ontario today, but unfortunately it has some very important similarities. The debate last December dealt with the situation in Poland and the imposition of martial law in that country.

Obviously we are not talking about anything so serious here in Ontario. What we are talking about in Ontario is the suspension of free collective bargaining rights. And one of the things referred to in that resolution introduced by the government House leader was the "suspension of basic rights and freedoms."

In that resolution the government House leader argued that all of us in this House should support "the creation of a new form of society that will meet the needs of the people and respect the rights of workers." I wonder why it is so easy for the members of this House to support the rights of workers in eastern Europe but only so many months later to suspend those very rights in Ontario.

I recognize that in Poland a small minority governed in an authoritarian state, denying the rights of Solidarity and protecting its control of power in that country by suspending the rights of the majority; whereas in Ontario the majority, if we are to believe what is being said about the public opinion polls, appears to be acquiescing in the suspension of the rights of a small minority of workers.

The fact remains, however, that we are suspending rights for one, two or three years.

We are telling workers that their contracts will be determined for them by some czar named Biddell, who will not have to give anybody any reasons, and that they had better just be quiet and accept it.

We saw this afternoon how people react when those basic rights are suspended, rights that have been fought for for years, rights that it took the efforts of many people in western Europe and in North America to win: the right to strike, to join unions and to fight collectively for their rights.

I thank God that those rights are not suspended in our country by the force of tanks and jackboots. But does it make it any better to have those rights suspended by the force of law, whether that law is determined by a small minority, as it is in Warsaw, or by a majority, as it is in Ontario? I do not think so.

I want to refer to a couple of other things that were said during that debate. The then member for Hamilton West, speaking for his party, made a couple of comments that I think are important, as did my then leader, the member for Ottawa Centre (Mr. Cassidy).

The member for Ottawa Centre said at one point, "However much we squabble and disagree among ourselves, we are united in this province in believing in fundamental human rights, even in fundamental economic rights."

I hoped against hope when those words were spoken by my former leader that he was correct. I really did believe that the members of this House, no matter what their political stripe, believed in fundamental economic rights, that they would fight for those rights and that they would stand against any move to deny those rights. But not even a year later we see a bill introduced which denies those rights, the very rights all three parties said they supported and voted unanimously for in another country.

The member for Hamilton East (Mr. Mackenzie), our Labour critic, said in that debate, "We in Canada should not lose sight of the rights of workers. . ." I wish we could remember that today in Ontario. We should never lose sight of the rights of workers, no matter whether they are public sector workers or private sector workers.

I resent the attempt that is being made by this government and its allies in the federal government to split the workers, to divide them and to say to those private sector workers who are out of work or who are in danger of losing their jobs, "Things are bad for you; so let's make it bad for the public sector as well."

I do not think workers who have fought hard for the right to bargain collectively and to withdraw their labour to try to press for an improved economic situation will accept the kind of divide-and-conquer approach being taken in this House.

Hon. Mr. Eaton: And hold the taxpayers who can't afford to pay ransom.

Mr. Wildman: I hear the minister without anything to do, the one who has nothing to do except ride in a limousine, saying: "Listen to the taxpayers. The taxpayers cannot pay. The taxpayers cannot afford it."

I do not think I am stretching the analogy too far when I point out to that honourable member that even in Poland the authorities say the reason they cannot continue with free expression and free rights for workers is that the country cannot afford it, that there are shortages in the stores and that there is not enough food. That is true; there is not. But those are the kinds of reasons they use for saying they have to deny the rights of workers: "We can't afford it."

It is strange when the members of this government seem to have the kind of blinders where they can look at what is a terrible, heavy-handed authoritarian approach in another country and say, "That is wrong. We don't support it. We want to stop it," but then they risk the same thing happening in their own jurisdiction. I wonder whether they really do not understand.

The then member for Hamilton West said a number of things in that debate. I would like to quote just a couple. He said, "All of us are aware that the events in Poland are not the fault of the labour movement or of the people but are the signs of the failure and bankruptcy of a system."

I submit that the economic mess we are in here in Ontario and Canada today is not the fault of the workers or of the people, whether they be farmers, small business people, unionized workers or unorganized workers.

8:20 p.m.

Hon. Mr. Davis: What about the economic policies in France under the Socialist government there?

Mr. Wildman: The Premier interjects and says, "What about economic policies in France?"

Hon. Mr. Davis: You are talking about Poland. Take a look at France.

Mr. Wildman: I am quite willing to deal with that, and I will later.

It is interesting. The member who just spoke toured with the Premier of France not long ago,

because he hopes the Socialist government in France will save the auto industry in his community.

Hon. Mr. Davis: I sincerely hope you agree, because the members of the United Auto Workers in Brampton share my hope.

Mr. Wildman: I am certainly in support of—
Interjections.

The Deputy Speaker: Continuing with the debate. The member for Algoma has the floor.

Mr. Wildman: Mr. Speaker, when I look at this debate, which took place in December 1981, and I talk about the situation we have today with Bill 179, I do it in a very serious vein. I am not trying to overdramatize our situation in Ontario. But there are analogies, and important ones, that I think should be pointed out.

I do believe the statement I took out of context from the then member for Hamilton West applies to Ontario and Canada today. The economic problems we have in Ontario and Canada today—the unemployment, the bankruptcies, the high interest rates—are not the fault of the workers, public or private sector. In a way they are signs of the failure and bankruptcy of the system we have in this country today.

The then member for Hamilton West said also, "To pick on Solidarity is surely a thinly disguised attempt by the Polish regime to prop up a failed regime and an unproductive system."

I agree with that in the Polish situation, just as I believe the attempt to pick on a small sector of the work force in Ontario and Canada today is a political move by this government and the federal government to try to disguise the fact that they have no answers to the economic problems we face in the country today.

It is an attempt to deflect the blame, to give the public the impression that we are doing something. It may not do anything in terms of resolving the economic problems, but at least we are doing something. We find some scapegoat, a whipping boy, in the public sector unions. They are not popular—we all know they are not popular—just as politicians are not particularly popular, and they should not be, with our economic situation today.

It is most irresponsible to say: "Because that group is not popular and because we are not popular since we are not doing anything, do not know what to do, or are unwilling to do the things we think really should be done, we will pick on them and give the public the impression

we are doing something, anything. They are not popular; they won't get much support."

We opposed it in Poland, all of us. While I said there are differences, and important differences that I recognize, I do not think we should accept the diminution of workers' rights anywhere, especially in our own backyard.

Mr. Piché: Two minutes.

Mr. Wildman: The member for Cochrane North says, "Two minutes." We gave him a lot of time because we wanted him to deal with the legislation.

Mr. R. F. Johnston: All he did was attack the Premier.

Mr. Wildman: All he did was get up and attack the Premier for getting rid of the jet.

Mr. R. F. Johnston: Disgusting. We were ashamed.

Hon. Mr. Davis: Listen, be very careful. Jack Stokes was also in support, only he was 10 years late.

Mr. Wildman: That is true. But we gave the member for Cochrane North as much time as we could, because we wanted to hear his first speech and to see whether he could actually get on to the topic. I think he did in the last two sentences of his speech when he dealt a little bit with restraint as it pertains directly to the bill rather than just talking about the jet.

What does this bill deal with? We all know it deals with collective bargaining. It is a bill that profoundly intervenes in the collective bargaining process to the point where a union, despite what the Premier and the Treasurer (Mr. F. S. Miller) have said, has no real meaningful role at least for a year and perhaps for up to three years, depending on which group of workers we are talking about.

With the introduction of this legislation, there is no real incentive to bargain anything. To argue that they can bargain nonmonetary issues when the monetary side of the package is already decided for them by an outside party is to demonstrate a convenient or unbelievable lack of understanding of the collective bargaining process.

Interestingly enough, the bill also says that nonmonetary items can be changed, but it points out that arbitration will not be allowed. As the right to strike is denied, there is no system for resolving disputes, even in nonmonetary issues. It really remains to be seen whether there will be any attempt to resolve nonmonetary items being dealt with in any meaningful way.

All the members of this party have described this bill as draconian. We find that it is setting up some kind of czar who is going to be able to rule on collective agreement compensation packages, as they are referred to in the bill, without giving any reasons or any descriptions, without even holding any hearings and without any right of appeal. I wonder how anyone who really believes in protecting the rights of the workers, as we said back in December, can defend that kind of legislation.

Even within this legislation, which singles one small group out of the work force and which says, "We are going to treat you in a certain way; we are going to take rights away from you that are enjoyed by every other worker," there are inequities. Not even all those 500,000 workers are treated in the same way. Some of them will be under control for one year, some for two years and some for three years. We can see the serious inequities that is going to produce within the public service.

We have no explanation from the other side as to why this is being done, except to say, "Well, we want to be flexible. We want to allow for a transition period," and so on. In fact, it produces more inequities than it resolves. I find it completely unacceptable that we would have a piece of legislation before us that says one individual is going to be able to make decisions that will affect the incomes of many families in this province without having to hold any hearings and without having to give any reasons, who can just make arbitrary decisions and order them to be done.

8:30 p.m.

Under this legislation, this individual will be able to determine not only how much certain obvious members of the public sector are going to be able to earn, but will be able to widen that range to determine what other groups will come under his purview, again without giving any reasons.

As I said earlier, the Premier has tried to argue there will be a continuation of labour-management negotiations on a range of nonmonetary issues. The Premier neglected to say that under this legislation there is absolutely no requirement for the employer to bargain on any kind of item. Obviously, only if management and the union agree will any item in a collective agreement be amended. There is no requirement for the employer, whether it be the provincial government, a municipality or what is called a parapublic sector employer, even to talk to the employees.

I want to talk for a moment about my colleague the member for Sault Ste. Marie (Mr. Ramsay) who is the member in the cabinet responsible for workers' rights. I started my remarks by referring to a letter sent to him by the CUPE local in Thessalon. Some of the members in the House may know that lately the Minister of Labour has been in some controversy over the issue of equal pay for work of equal value.

The minister has argued that this measure, which has been long overdue in this province and in this country, could not be introduced because of the economic situation, and that beleaguered employers—I think that was the word he used—could not afford to bring in equal pay for work of equal value at this time in the economic life of the province.

In other words, I suppose what the Minister of Labour was saying was that women should pay more than men should pay for the economic problems in this province. As if that were not bad enough, the Minister of Labour has had the gall to say in the local media in Sault Ste. Marie that, while he does not like the denial of collective bargaining rights for unionized workers, he thinks it is necessary and that it is required at this time in our economic life.

He then goes on and uses the excuse that there are many people laid off in the private sector, such as at Algoma Steel in Sault Ste. Marie, and that those people who are working are feeling insecure about their jobs but that people in the public sector have job security. Somehow this denial of collective bargaining rights which he says he objects to is justified because people in the public sector have more job security.

If the Minister of Labour is just playing along with the argument that has been used by the Treasurer and others on the government benches, in an attempt to divide the work force and to play one worker group off against another, it does not speak well for him as Minister of Labour, or for the government he represents.

Also, the argument itself is hollow, when one considers that by imposing wage controls, this government, as my deputy leader pointed out today in question period, is cutting back on wage increases that have been given to women in the public sector through a freely negotiated contract in an attempt to try to make up for the difference in wages for the clerical staff.

This legislation will impede the ability of women to make further inroads in areas where they are behind already. Yet, this minister can

get up in the House, as he has done today, and, in response to an interjection, say that he did not have anything to do with the legislation.

Is that not interesting? A minister of this government can actually claim that he did not have anything to do with the government legislation. My deputy leader said that maybe he was probably right. I hope that is not the case. I would hope that he would have had something to do with it, it being a major piece of legislation that affects the rights of workers.

Surely the Minister of Labour had important and significant input into the development of that legislation. If he did not, then in my view he is a very ineffectual minister. If he did, it is even worse, because if he did have input into this legislation, and we still have the inequities we have, that either means he is not very effective, or it means he does support this legislation, despite what he said publicly in Sault Ste. Marie.

I regret very much that the Minister of Labour is not scheduled to speak in this debate. It is beyond understanding. How can a minister who is responsible for collective bargaining, for facilitating agreements between workers and their employers in this province, not want to speak in a debate about the denial of collective bargaining rights for workers in the public sector?

To give them their due, the Treasurer and the Premier have been here throughout the debate, or off and on. One or the other has been here and they have listened to the debate. But the Minister of Labour has not been here one day during the debate.

Hon. Mr. Gregory: On a point of order. Mr. Speaker: I have listened to this gentleman and several others from that party who have stated that the Minister of Labour has not been here. The Minister of Labour has been scheduled on a regular basis and has been here perhaps more than anyone else on this side. I really think the member is a little off base.

Mr. McClellan: He may have been scheduled, but he has not been here.

Interjections.

Mr. McClellan: On a point of privilege: Will the Speaker instruct the member for High Park-Swansea (Mr. Shymko) for the last time that it is not parliamentary to say "Stop lying" in this assembly?

8:40 p.m.

Mr. Wildman: Mr. Speaker, I have been here for almost the whole of this debate. The Minis-

ter of Labour may have been here once or twice but he has not been here very much.

The minister has been leaving almost every time after question period, and the point is I do not care how much he is here, but he damned well should be speaking in this debate and he is not on the schedule. If the chief government whip can tell me that the Minister of Labour is going to speak in this debate, fine, but he cannot because the Minister of Labour does not have the guts to speak in this debate.

Interjections.

The Deputy Speaker: Back to Bill 179.

Mr. Wildman: I wonder what the chief whip thinks of a member who will say in Sault Ste. Marie he does not support the denial of collective bargaining for workers and then does not participate in a debate that does exactly that.

Mr. Piché: Apologize to the House.

The Deputy Speaker: Order.

Mr. Wildman: It is not I who should apologize. I suppose one of the advantages of this legislation is that the Minister of Labour will have very little to do over the next year or two.

Hon. Mr. Gregory: What has that to do with the bill?

Mr. Wildman: The member knows exactly what it has to do with the bill. What will the Minister of Labour's conciliators be doing? What is his staff going to do for the next two years? It will be a sort of paid holiday for those people. I would like to believe that at least some members of the staff of the Ministry of Labour will not enjoy that kind of a paid holiday.

Hon. Mr. Eaton: Is that what your former leader is taking? A paid holiday to go to school full-time?

Mr. Wildman: That member is a great one to talk about paid holidays. What does he do? What does he do in the cabinet? What does he have to do? At least the Minister of Labour has to get up and answer questions in the House every day or every other day about labour issues. That minister in the cabinet has absolutely nothing to do. I think some day we should get up in question period and say, "What does that member do?"

Hon. Mr. Davis: Go ahead. Ask me tomorrow morning at 10 o'clock. I will be delighted to tell you. It would be more revealing than some of the questions asked recently.

Mr. Wildman: I wonder how the argument used by the Minister of Labour about security in the public sector stands up when one looks at

the problems which, say, teachers have with declining enrolments and the number of laid-off teachers in the province. I wonder if laid-off teachers would agree that public sector employees have far more job security and therefore they can stand this unpleasantness.

Mr. McClellan: They are contract workers.

Mr. Wildman: I want to get to them next. Before I deal with them, can I also ask whether it is fair for a government or a Minister of Labour to argue that the public sector can take wage controls, when one considers that lack of funding for various agencies, whether hospitals, nursing homes, homes for the mentally retarded, is causing staff shortages and the work speedups that go with them? It does not speak very well for the Minister of Labour to say that people have to do more work because of the lack of staff, and that therefore they should get paid less because they have job security.

Also, for that matter, if we find that part of this restraint package lowers or limits transfer payments to the municipalities, and they start laying off workers, what does that do to the argument about security in the public sector?

For a moment I would like to speak about that other group that is conveniently ignored by Management Board and the ministries of this government when they start listing the numbers of public sector workers and government employees in the province; that is the contract workers or so-called casual employees. I am always leery about speaking of this group. Every time one raises the plight of the casual employees in this House, it seems someone in Management Board comes up with a scheme to try to cut off their employment, rather than providing them with the pay and benefits they deserve.

There are two so-called casual employees of the Ministry of Natural Resources in my riding who, for 20 years, have worked for that ministry approximately nine months out of every year. Those are the two worst examples I can point to, but there are many others—people who have worked for seven, eight and nine years for the Ministry of Natural Resources, the Ministry of Transportation and Communications and other ministries. Yet they are called casual employees. They do get some of the sick benefits now; they did not before. But they do not get any pension benefits.

Every year they are scared to death wondering whether they will be called back after their layoffs, after they have been on unemployment insurance; yet the Minister of Labour says public sector employees have security. I do not

suppose he really knows much about the casual employees of this government. If he did, I would hope he would try to do something about it.

Now that I have raised it again, what will probably happen is someone in Management Board may come to the conclusion: "We had better not have these people working year after year for the government. We had better hire someone else rather than the experienced individual." This is despite the fact that a few years ago the former Deputy Minister of Natural Resources admitted in committee that the ministry could not operate without the experienced, so-called casual employees who were hired every summer, because if new workers were hired, so much time would be wasted in training them every summer that the ministry would not get out of them the work it required.

That is one of the blackest marks on the personnel policy of this government I can think of. If those people are required year after year, they should be treated as employees and given the benefits they deserve. They should be given the security of tenure, the job security the Minister of Labour thinks they have.

We have been treated to what I think is a despicable argument, that because some people are laid off and are out of work, we should go and talk to those people to find out what they think of wage controls in the public sector.

Hon. Mr. Davis: Are you making an argument to have them in the private sector as well? Is that your answer?

Mr. Wildman: If the Premier had listened to the beginning of this speech, he would know I am appalled by and completely opposed to these denials of collective bargaining rights for anyone.

Hon. Mr. Davis: I thought the logic in your case was to have them in the private sector.

Mr. Wildman: No, I am just dealing with the lack of logic of this government in the arguments it has been making. One of those arguments has been that because people in the private sector are being laid off or are insecure, they would support controls for the public sector. The Treasurer made that argument the other day in question period.

At any rate, I did talk to one of those individuals. Actually, I did not go to see him; he came into my constituency office. He was a 20-year-old unemployed man with a grade 12 education. He was laid off in mid-September and he came into my constituency office because

he was having difficulty getting unemployment insurance benefits. I will not go into that.

8:50 p.m.

Here, we have an individual who does not qualify for unemployment insurance, so we got him in touch with the welfare agencies, and he is getting \$266 a month from welfare. This man's rent is \$200 a month, so he has \$66 left to pay for his food and whatever entertainment, clothing and other expenses he has. So if the argument the Treasurer and other members of the government have used is correct, this individual should be in favour of wage controls in the public sector. He was desperate; he did not know which way to turn. He cannot find a job, and he does not have enough money. This man said to me, "Cutting other people's wages is not going to give me a job." And he is right.

That is what this government has missed. Through some sort of metaphysical process, they would like everyone to believe that by cutting wages for the public sector somehow they are going to produce jobs for a man like this. Well, it does not produce a job. The fact that his neighbour, who happens to work for the Ministry of Transportation and Communications—actually, this man's neighbour works for norOntair—is going to end up with less money next year than he might have expected, does not give this man a job; it does not do a thing for him. So if this individual is anything like other people, I do not think the government is going to be successful in hoodwinking people into believing that by cutting the wages of its employees it is somehow going to help the people who are laid off in the private sector.

As I said in the beginning, the implications of this bill extend far beyond the immediate question of whether the program is economically justified. We are seeing a government that is ripping up collective bargaining contracts that have already been settled and preventing true free collective bargaining from taking place in the province. The law as we have known it has been negated. There will not be any arbitration process, and the rights and economic situation of many groups in this province will be left to the will and the whim of one person, and perhaps to the cabinet.

The principles that have been worked out and developed over the years for dealing with industrial disputes are being replaced by executive orders, by an individual or by a board that can meet in secret and make decisions without giving any reasons or explaining anything to the

public. Does this not sound somewhat similar to what we argued against in Poland? This is indeed a denial of civil liberties. If governments can easily tear up public sector contracts and replace them by executive order, what is to stop them from doing that to other workers? What does the other bill we are going to be debating after this one mean for other workers in this province?

Mr. Renwick: You mean the one we will be debating in November.

Mr. Wildman: Yes.

Mr. Cooke: Of which year?

Mr. Wildman: What does it mean? What can we expect to happen to those workers?

I suppose the other argument that has been raised to justify this legislation is that somehow we are going to control prices. At least, this is what the government would like people to believe, that this is not a one-sided approach to deal just with wages in the public sector but that we are also going to control two types of prices: those administered by the government and also private-sector prices. You hear many people say, "Well, if they could only control prices, I would not necessarily object to control of wages." We hear that argument a lot. So this government came in and said: "We intend to do something about prices." But when one looks very closely at what is intended for prices, one really understands who this government serves.

First, with the administered prices, we have already heard in question period that the OHIP premiums are not to be included. Today the Treasurer admitted what he would not admit before when the question was raised by the Health critic for this party, the member for Bellwoods (Mr. McClellan), that in fact OHIP premiums would be exempted and they are not an administered price. So we have the situation where there is an enormous increase in the largest fee charged for families in this province at the very time that we have been told that certain workers will only be allowed a five per cent or, in some cases, a nine per cent increase. It is hardly evenhanded.

It really becomes obvious who this government serves when one looks at the private sector prices and what is being proposed there. I suppose we could not have expected very much from a Conservative government or, for that matter, from a Liberal government in Ottawa, when one looks at the arguments that have been used by the corporate sector when talking about wage controls and price controls.

We have had the spectacle of Ian Sinclair, who, I understand, in 1981 was compensated for his labour at the rate of \$556,228, saying he is wholeheartedly in favour of wage restraints but the corporations must restore their balance sheet and not have their price decisions controlled. Is he not on the six and five committee? Is he the chairman of the six and five committee, the corporate friends of the Liberal government? He said: "Yes, we are in favour of wage restraints. That is what is needed in this economy. But no, we cannot allow corporate price decisions to be controlled because the corporations must restore their balance sheet."

I think there are an awful lot of workers in Ontario and Canada who would like to restore their balance sheets when it comes to the end of the month or when it comes to looking at their mortgage payments. We can control their wages, but we must not touch the corporate balance sheet.

The price system is set up with Ian Sinclair's admonitions in mind. We have seen that all costs, other than profits and wages, can be passed through as increased prices—things like taxes, interest rates, cost of goods and services and so on. The wage component will be limited to five per cent—and we are talking here about the Ontario Energy Board—and the part of the price that relates to profits will be limited to a five per cent increase on return on common equity.

The member for Essex North (Mr. Ruston) spoke just before six o'clock and argued that if the farmers in his riding could be guaranteed five per cent this year, they would be happy—five per cent over what they made last year.

Mr. McKessock: Happier.

Mr. Wildman: Happier, all right. I know that farm prices are down and that farmers are having a difficult time right now especially with high interest rates. But I wonder why the Liberal Party accepts the fact that this price monitoring approach, when it deals with something like Union Gas, will guarantee at least a five per cent profit, and yet it does not do the same thing for the farmers? Why on earth are the Liberals supporting it, at least those Liberals who represent rural ridings?

9 p.m.

Mr. Piché: They will support anything.

Mr. Wildman: I think that is true. That is why they are supporting you.

Furthermore the system that is set up to monitor prices says the regulatory agencies will

have all sorts of appeal procedures. They can appeal to the minister, who can go to the cabinet, who can deal with the board. We do not have any appeals procedures on the wage side. At least the Anti-Inflation Board in the mid-1970s had an appeals procedure. Why is it that we have appeals procedures for prices but we do not have any appeals procedures for wages? That has never been explained to us.

All we can conclude with respect to prices is that the program's impact on regulated prices will be minimal, that the program as it is applied remains completely discretionary and that most prices that are supposedly controlled by the program will be left almost completely exempt. The prices that matter most to the ordinary working person are left completely out of the program. I think even the Liberal members who are most concerned about the prices at the farm gate would agree that food prices in the supermarkets do not bear a great deal of relation to what is being paid to the farmer and that they should be controlled.

Shelter costs have been climbing, largely because of interest-rate increases. Health costs are going up because of the Ontario health insurance plan. Of course insurance rates are going up and gasoline prices are going up. None of those things are going to be controlled; in many cases they are not even monitored, so I do not see how the government can argue there is equity in this thing.

Mr. Bradley: Cut out their ad valorem gas tax.

Mr. Wildman: One of the things my leader has advocated is getting rid of the ad valorem gas tax. He has also argued that the price of gasoline should be frozen.

Mr. Epp: Who is your leader? Jim Foulds? Bob Rae? Michael Cassidy?

Mr. Wildman: Mr. Speaker, we are a collective. When one looks at this program as it relates to the federal program there is a sad irony when one realizes what is actually being done by the government, whether it be federal or provincial, to try to influence the private sector. One of the arguments for this program at both the federal and the provincial level is that it will be an example to the private sector and they want it to spread to the private sector.

Interjections.

Mr. Speaker: Order.

Mr. Wildman: It is interesting that one of the things the Liberals have talked about a great deal, as we have in this party, is the fact that this government really does not believe in restraint

itself. Although it got rid of the jet, much to the consternation of the member for Cochrane North—and the member for Brampton (Mr. Davis)—the fact is that this government has invested \$650 million in 25 per cent of an oil company and has also invested a further number of millions in a Trillium Exploration Corp.

Mr. Bradley: A socialist in disguise; you're right.

Hon. Mr. Ashe: You wanted us to buy more. Interjections.

Mr. Wildman: I found out recently the federal government has made an interesting deal with Suncor, the company this government purchased 25 per cent of.

Hon. Mr. Ashe: You wanted us to buy 51 per cent; be consistent.

Mr. Speaker: Just ignore the interjections.

Mr. Wildman: The federal government just recently—

Hon. Mr. Davis: That's exactly what you said, 51 per cent. I'm just reminding you of what you said.

Mr. Wildman: I do not like to cause family quarrels between the Liberals and the Tories.

Hon. Mr. Davis: Don't worry about our family; look after your own.

Mr. Wildman: The federal government recently made a deal with Suncor. In return for Suncor keeping the six and five program for its non-unionized employees, it is going to receive enormous tax breaks from the federal government. Suncor will voluntarily agree to price increases that will only maintain historic profit levels. But these turn out to be, when one looks at 1981 profits, almost double the average of profits in other companies and other sectors over the last five years.

We see this government participating in a situation where the private corporations win both ways. They agree to limit their employees to certain lower wage increases and, in exchange for that agreement, get tax breaks. They win on both sides.

Hon. Mr. Davis: Bud, you will never understand it.

Mr. Wildman: Oh, I understand. It just makes me sick.

Hon. Mr. Davis: No, you do not. I say that respectfully; some things you do but you don't this one. Have you checked your teaching certificate lately?

Mr. Wildman: To be fair, I cannot blame Suncor. First, it gets this government to invest when it cannot find another buyer. Then it gets this government to put up the money for Trillium because it has not been able to find another buyer, so it can get further tax breaks. Then it persuades the federal government to give it further tax breaks so it will be able to fail to increase the wages of its employees. I cannot really blame Suncor. They sound like pretty good politicians—better politicians, certainly better economists, than the present government.

I started by saying these are draconian measures that are denying the rights of workers. I recently saw a picture which dealt with the demonstration of public sector employees the day this bill was introduced. In this picture, in the very front row—and it is significant when one considers who the Minister of Labour is in this province—there is a sign. It says: “Sault Ste. Marie: Think about it. Are wage controls fair? Why is it always the workers the government dumps on?” Why is it? It certainly is not Suncor.

I would like to turn now, not just to dealing with what this legislation does to workers, but to deal with the arguments that have been raised for this legislation as being necessary to deal with our economic problems.

These kinds of measures have not worked before. They did not work with the Anti-Inflation Board. They have not worked in other countries. Certainly the measures we have seen in the Polish situation have not gotten that economy going again.

Hon. F. S. Miller: They're Socialists.

Mr. Wildman: Don't tar me with the Polish government.

Mr. Shymko: Don't you tar this government with Poland either.

Mr. Speaker: Order.

Mr. Wildman: I did not. The member for High Park-Swansea was not here at the beginning of my speech.

Interjection.

Mr. Wildman: He was not here at the beginning of my speech. I was very careful—

Hon. Mr. Davis: You are very fortunate he was not.

Mr. Wildman: I wish he had been. Maybe he would have heard—

Interjections.

Mr. Speaker: Order. The member for Algoma will get back to the bill, please.

9:10 p.m.

Mr. Wildman: I said at the beginning of my speech that I recognize major and significant differences between what is being done in Canada and Ontario today and what has happened in eastern Europe. I said that at the beginning of my speech.

Mr. Shymko: I am glad you do.

Mr. Wildman: I also said there were unfortunate similarities and there are. In Poland there is a minority that controls power, denying the rights of the majority. Here we have a majority denying the rights of a minority.

Hon. Mr. Davis: Even your mathematics happen to be wrong.

Mr. Foulds: Oh, you admit you have a minority government; you have minority support in the province.

Hon. Mr. Davis: Bud, I have to assume mathematics was not your discipline in high school.

Mr. Speaker: I recognize the member for Algoma.

Mr. Wildman: I know the Premier does not take this situation very seriously.

Hon. Mr. Davis: I take it seriously, but I think you are wrong.

Mr. Wildman: That is fair. I would not expect him to agree with me.

Mr. Speaker: Back to the bill, please.

Mr. Wildman: I would like to talk about some of the reasons that have been put forward, in some ways even more by the Liberal members than the government members, as arguments for this bill. They have been talking about the terrible economic mess that we are in—saying these kinds of measures are necessary to resolve those problems.

In the letter I quoted that was written to the Minister of Labour, the public sector workers from Thessalon said:

“We oppose wage controls because of the economic hardships it will cause us. Comparisons taken from surveys show that we in the public sector are not overpaid in comparison with those in the private sector nor have any wage increases received differed greatly. The imposition of controls is unfair and discriminates against us.”

It has been said that it does discriminate against a certain group of workers but these kinds of discriminatory measures are necessary because of the serious economic problem we have. I listened to the member for Kitchener-Wilmot (Mr. Sweeney) this afternoon quote

some figures from the Economic Accounts Bulletin that is published by this government. He pointed out that Ontario's gross provincial product and expenditure registered only 0.4 per cent growth in the first quarter of this year. After an adjustment for inflation, the GPP continued its downturn for the third consecutive quarter, a drop of 2.2 per cent in the last quarter of 1981.

While most of the components of the GPP have declined over this quarter, he said that because of this serious economic problem we needed some kind of action. To be fair to him, he said wage controls by themselves were not enough and certainly wage controls in the public sector were not enough. I think he wanted wage controls throughout the economy. He, along with other members who have used this argument, have not been able to explain how wage controls of any group are actually going to turn around the decline in the gross provincial product.

The bulletin says gross personal expenditure on consumer goods and services slowed by 0.8 per cent in this quarter, down from 2.8 per cent in the last quarter of 1981. The weaknesses existed mainly in the expenditure on durables and semi-durables. Retail motor vehicle sales, for example, were down substantially in the first quarter of this year after a brief rebound in the last quarter of last year. Retail sales of household furniture and appliances also decreased after recording significant growth in the last quarter of last year.

How are wage controls in the public sector going to do anything about retail sales? If this is being introduced as a way of resolving our economic problems, how on earth are they related? It seems to me that when one is going to take away wages from any sector of the economy, one is likely to have lower retail sales, not higher.

The slump in total business investment expenditure worsened in the first quarter of this year with a dip of 5.9 per cent, which was the third quarterly decline in a row. Total business investment fell to about the same level as it had attained in the same quarter a year earlier. The fall in business investment was widespread in all three components. Business investment in plant and equipment declined 6.8 per cent in this quarter and expenditures on nonresidential construction and machinery and equipment were down substantially, seven per cent and 6.7 per cent respectively.

Again I ask the Treasurer, how is limiting

wages going to turn that situation around? How is it going to produce more investment by the business sector? That the demand is down so much now is the reason we do not have the investment we need. Cutting wages is not going to increase demand. The member for Kitchener-Wilmot pointed to those figures and said we needed wage controls because of those figures. He did not explain how one was related to the other. I do not think he could.

In my part of the province to the end of August we had recorded a 44 per cent increase in the number of bankruptcies. That was more than 200 above the whole of last year. More than 100 bankruptcies occurred in northeastern Ontario in August alone. The federal department which publishes those figures has stated, "The worst is yet to come." This is one of the indicators that we are in the worst and deepest economic recession since the Great Depression of the 1930s. Obviously bankruptcies are related to high interest rates and the lack of demand. I doubt that controlling wages is going to do anything about that though.

We see a situation where consumer demand and purchasing power are at such low levels it is having devastating effects on many small and large businesses, but by controlling public sector employees, we are doing the equivalent of taking away the average industrial wage of 20,000 workers. In other words, this bill would have the same effect across Ontario that the closure of Inco is having in northeastern Ontario.

As a result of the lack of demand, the lack of business investment, the decline in production, we have the highest unemployment in Ontario and Canada that we have ever experienced since the Second World War. In Ontario we have a real unemployed level of about 689,000 people. Between August 1981 and 1982, unemployment in Ontario increased by 84 per cent. Every day in the month of August—as my colleague from Hamilton East has pointed out—another 935 Ontario workers became unemployed.

We are in a serious economic situation but I defy anyone on that side to explain clearly how controlling the wages in the public sector is going to put one of those people back to work. What we really need is action to deal with the unemployment in this province. We have not had anything from the Minister of Industry and Trade (Mr. Walker). He did get up in the last session and crow about nine jobs in Elmira.

An hon. member: He talks about saving them.
9:20 p.m.

Mr. Wildman: That is right. He got up on September 28 and made a speech about International Harvester, General Motors and Massey-Ferguson. He talked about all of the jobs, but if one looks at it very carefully he is talking about jobs that are already in existence. He is not talking about new jobs.

The fact is this kind of program will not work. Inflation, which we are all concerned about, is not caused in this economy by excess demand. We are not in a situation where we have too many dollars chasing too few goods. We are not in that kind of a situation where prices are going up because there is a tremendous increase in demand. We have the opposite. Demand is going down. We are in a situation where industries are only working at 70 per cent capacity on average. So it is nonsense to argue that our inflation is demand-oriented.

To say we are going to control inflation by cutting wages is to ignore the fact the inflation we are experiencing is not being wage-pushed. When one compares private sector wages to public sector wages one has to realize that public sector wages have not differed greatly from private sector wages.

Mr. Shymko: Tell us about the Socialist philosophy in Quebec.

Mr. Speaker: Order.

Mr. Wildman: I am only aware of one Socialist government in this country and that is in Manitoba.

Mr. Boudria: One too many.

Mr. Wildman: In that province there are measures being taken to deal with the real problems in the economy.

Mr. Speaker: Now back to the legislation, please.

Mr. Wildman: I will. One of the arguments the Treasurer has used—

Interjections.

Mr. Speaker: Order. We are having difficulty with your colleagues.

Interjections.

Mr. Speaker: Order.

Mr. Wildman: The Treasurer has used a lot of arguments to try to justify what he is doing. One of the arguments he has used is that there has been a tremendous increase in public sector employment, especially in education and health, and for that reason we need control.

Obviously we have a serious unemployment problem. Somehow the Treasurer argues that because we have an unemployment problem we

have to limit the number of people in the public sector, which is increasing. In other words he seems to be saying, rather illogically, that we deal with unemployment by increasing unemployment.

One of the other arguments he uses is that he wants to signal low wage settlements to the private sector. In a situation with the numbers of unemployed there are in this province one does not have to signal through low wage increases. The market this government likes to talk about so much is controlling wages in the private sector. It is controlling the number of jobs that are available. The public sector has not led the private sector in wage increases since 1977. It lags behind.

One of the other arguments the Treasurer has used for this legislation is that restraint in the public sector will free up money, help to fight inflation and ease the pressure on interest rates.

Mr. Boudria: Lowering the expenditures would go a long way.

Mr. Wildman: That is what he is talking about basically.

The suggestion that this government has somehow created too great a demand on the capital markets ignores the fact the Treasurer himself and the Premier on many occasions have boasted that, other than Ontario Hydro, this government has not been borrowing on the private capital market. That is strange.

As we have said, the arguments used for this legislation are invalid. The arguments used in the past remain as invalid today as they were then. The system just will not work. The reason it will not work is this program does not even address the main problems in the economy. They are unemployment, interest rates, energy rates; the cost of energy and the cost of money. This program does not address any of those.

The Treasurer has tried to argue that, in some indirect way, controlling expenditures in the public sector will affect interest rates and interest rates will come down. In our view, this program ignores the basic problems we have. We are in an economic crisis, with record unemployment, bankruptcies, business failures, plant shutdowns and an 11 per cent increase over a year in the lack of use of capacity.

The conventional wisdom used in the business community that is accepted by this government is that the magic solution for this is to cut the public sector, thus leading to cutting taxes, cutting spending, cutting the power of unions and cutting wages. The belief this will somehow increase the share going to capital and

then give capital the freedom to resolve our economic problems is ridiculous.

We do not argue that we do not have high inflation. Inflation has to be dealt with, but in cutting demand by restraining wages the government is not going to deal with the lack of demand that produces unemployment. We also do not argue that we should be ignoring government deficits; the question is not whether we should deal with government deficits but how we should deal with them.

This government says the way we deal with government deficits is by cutting. We believe what is needed is an aggressive approach by the government to try to get the economy going again so we then do not have the heavy demands on the public sector that unemployment produces, such as the welfare payments that are draining and are an unproductive expenditure of public sector funds.

We need an approach that will deal with the structural problems in our economy, which we have talked about many times in the past, that is the lack of research and development and the high foreign ownership in the economy that has been advocated by Liberals since the Second World War, ever since C. D. Howe. We believe those actions must be taken if we are to deal with our economy.

9:30 p.m.

My leader has put forward a very positive program for dealing with our economic problems as an alternative to this short-sighted approach by the Liberals and Conservatives. We believe we should be creating and protecting jobs. I will not list all the measures he has proposed but a number are of particular interest to me and I want to deal with them very briefly.

We believe we should be dealing with the housing crisis and creating jobs by producing far more rental units than this government is even interested in looking at. We are interested in retrofitting to produce energy conservation and in using local public works to produce jobs in the short term.

In the long term we believe we should be moving aggressively to develop the machinery industry and import replacement. We have talked at length about the need to develop secondary manufacturing in our part of the province. I wish the member for Cochrane North would deal with that, rather than talking about a jet that is not even produced anywhere near northern Ontario.

Mr. Boudria: We need the air ambulance.

Mr. Wildman: That is what he calls it.

Unless we deal with interest rates, we are never going to be able to turn the economy around. Other provinces and other governments, no matter what their political stripe, have dealt with the problem. Other Conservative governments have provided interest rate assistance for their residents, not only to deal with the problems being faced by home owners, businessmen and farmers but also to stimulate the housing industry and to provide jobs. If it can be done in other Conservative provinces, why can it not be done in Ontario?

Obviously our farm community needs assistance, as does our small business sector, but the current economic policies being followed in Ottawa will just continue the cycle of bankruptcies and layoffs unless this government takes up the slack.

We believe we should be increasing, rather than limiting, the purchasing power of the people of the province. One way we could do this would be by rolling back the unfair tax increases that are taking money out of the pockets of the people—the sales tax increases and the ad valorem tax on gasoline. Obviously this would hurt the government's revenue picture, but we believe a more equitable approach would be to tax people with taxable incomes of more than \$40,000 rather than limiting wages. This would increase the revenue available to this government to deal with the economic problems in the near future.

We believe we should be fighting inflation in those areas that hurt ordinary families the most. We should be dealing with energy costs, such as hydro, home heating oil and gasoline prices. We should be dealing with rents and supermarket food prices. Most of all, we should be dealing with health costs and other kinds of insurance. We in this party are committed to banning extra billing by the doctors, and we believe this government should be taking action in the automobile and home insurance fields. We believe that cutting back public sector wages will do nothing to deal with these commodities and the inflationary pressures that ordinary families are experiencing.

I started this presentation by pointing out what I see as the most unfortunate similarities between the situation in Poland and what is happening here. I believe that this program, which is supported by both the Conservatives and the Liberals, is a serious blow to economic democracy. The already limited ability of working people to exercise control over their lives is

being further limited by this government and by the government in Ottawa.

Mr. Shymko: What about the government of Quebec, your Socialist friends? Would you accuse them of the same thing?

Mr. Philip: You call the Quebec government Socialist?

Mr. Wildman: They are not Socialists. I wonder whether the member for High Park-Swansea (Mr. Shymko) has looked under his bed lately. He may find a Socialist there.

Mr. Shymko: Why don't you take a better look at the government in Quebec?

Mr. Wildman: We know who is Socialist in this House. The honourable member cannot tell the difference between a Communist and a Socialist, much less—

Mr. Shymko: You're the one who can't tell the difference.

Mr. Wildman: I know that a true Socialist does not limit the rights of workers.

Mr. Shymko: You are insulting this society, this country, your own colleagues and all the members sitting here by making that stupid comparison.

Mr. Breough: Mr. Speaker, surely my colleague has the floor.

The Deputy Speaker: I think the member for Oshawa (Mr. Breough) is correct. The member for Algoma has the floor.

Mr. Wildman: I understand the genuine emotion that is being expressed by the member for High Park-Swansea, and I do not want to denigrate that in any way. As I said earlier, I recognize that the member did not hear the first part of my speech, in which I dealt very carefully with what I saw to be the differences as well as the unfortunate similarities.

[Interruption].

The Deputy Speaker: We have an interjection from the galleries. I would hate to have to clear the galleries because of one person's interjection.

Mr. Wildman: I will accept the comments of the member for High Park-Swansea in the sincere, although I think mistaken, way he makes them. I really believe we should deal with what is happening here in Ontario and in Canada, and I challenge the member for High Park-Swansea, or any other member of the Conservative or Liberal parties, to argue that what we are doing here is not denying the basic democratic rights of the public sector workers in this province.

Mr. Bradley: Mr. Speaker, there's a stranger in the House.

Mr. Philip: Mr. Speaker, there is somebody in a white sweater making a noise in the gallery. I think he should be ejected.

The Deputy Speaker: This has to be the first time a member in the public gallery has caused more disruption than guests in the gallery.

Mr. Bradley: He's practising for after the next election.

Mr. Boudria: Are you joining your leader?

Mr. Philip: No. But on November 8, he's joining us.

Mr. Boudria: Don't be too sure. He may come in third.

Mr. Breough: Bet all your money on that Nunziata guy. Sell the farm.

Mr. Philip: You can't plough anyway—

Mr. Wildman: Mr. Speaker, they are interrupting.

The Deputy Speaker: I see that; your own colleagues too.

Mr. Wildman: I want to make clear that, as a Socialist, I am not opposed to economic controls in principle. However, as has been said by many people, it is most unfair and discriminatory to put wage controls on one sector of workers while not doing it for others.

It is also most discriminatory and unfair to put wage controls even on all sectors of workers when we do not control prices. What is most tragic about it is that it will not work. Not only is it unfair and discriminatory, but also it will not work. A pragmatist might say, "I don't care about the principle; I am going to do it because it will work." But it will not.

We are treading on very dangerous ground when we say we will deny the democratic rights of certain workers for whatever end. I call upon the government and the Liberal Party to consider very carefully what they are doing, perhaps to re-read the debate in December 1981, and to say that we must protect the democratic and economic rights of all workers, of all people in our province, and not to do as was suggested by the Minister without Portfolio, the member for Middlesex (Mr. Eaton), to deny those rights because somehow that is going to help the tax figures.

9:40 p.m.

I believe we must defend those rights. That is why this party is categorically opposed to this legislation and will not support it. We will not

use the kind of convoluted arguments that have been used by those on our right in saying they support it but do not support it. We are quite clear: We are against this legislation. We think it is morally and ethically wrong. We also think it is wrong because it will not be effective.

Mr. Barlow: Mr. Speaker, I am very pleased to join in the debate on Bill 179, an act to restrain inflation. I want to introduce perhaps another perspective on the restraint program. I know those of my colleagues who have spoken have given many different sides of this issue.

I want to speak on two themes tonight. First, I wish to support and promote support of the restraint program, as it is supported by the rank and file out there in our constituencies. Second, I want to speak on the philosophical boost that the restraint program will provide to the economy of our province and, indeed, of our country.

First of all, the rank-and-file support is out there and is growing. The riding of Cambridge, as I think everyone here realizes, is particularly hard hit by unemployment, which is in the range of 20.5 to 21 per cent. Those who are unemployed out there certainly are concerned about the inflation problem. Among those who know so well the painful realities of the recession there is very broad support for this program.

Our friends across the floor, the Socialists, mentioned the support they have. They are opposed to this program. But when they bring out the different segments of this program that they are opposed to, I wish they would have the opportunity to talk to some of the people I have talked to.

For instance, Mr. Kellar, who called me on Monday morning just before I left the office to come down here to Toronto, said his only complaint about the restraint program was that it does not go far enough; he said there should be no increase at all. He is a mechanic, he has been out of work for 24 months and he is unable to get any work. He is concerned about restraints and inflation. He feels there definitely should be no increase allowed to anybody employed in the public sector.

I cannot agree with that. I believe we have to treat the public sector just as fairly as we possibly can, but this is one area over which we as employers do have some control. We can show restraint to the private sector by imposing this sort of program on the public service. After all, the five per cent program is only for one year in most cases; in some cases, certainly, it extends beyond a year, but for most public sector employees it is just for a year.

I had the opportunity to speak on Tuesday night to the Kinsmen's Club of Preston. A number of those very young guys are involved in business and some of them are working in the labour force as blue-collar workers, some as white-collar workers. There was a whole spectrum there—there were even public sector employees there—but there was not one dissenting voice in the hour and a half I spent with them. They all felt it was a necessary program to show some leadership, and they were pleased our government is showing that leadership.

Mr. Wrye: What leadership? What about jobs?

Mr. Barlow: Jobs? We are getting to the jobs.

Mr. Wrye: When?

Mr. Barlow: Allen-Bradley Canada Ltd. in Cambridge, one of our major employers, sent me a telegram on the morning of Tuesday, September 21, when the program was announced, and I will read it: "The executive of Allen-Bradley Canada Ltd. commends you on your stand and heartily endorses your courageous action in imposing the restraint program. Be assured that we will support the formula on a voluntary basis."

Mr. Bradley: I guess so.

Mr. Grande: How much does he earn?

Mr. Barlow: It is a company, a corporation. It is a corporation that has people on short time; it has a work-sharing program. Its employees would be glad to be at work earning their regular salaries. They are not looking for an increase; they are looking for weekly salaries.

It is rather ironic that there are some 500,000 people unemployed in Ontario at present. There is an equal number who are after—

Mr. Wrye: And that's your government: 500,000.

Mr. Barlow: I thought the honourable member was supporting this.

I am sure any of the unemployed would be glad to take over some of the public sector jobs if the public sector employees chose not to use them.

I said I had two points. The philosophical boost that I feel can come out of this program is twofold. It can be divided in two. One would be the restraint that will trickle through the inflation program directly by limiting government expenditures and prices. A second point for the short term would be restraint; it would also lessen the tax burden. Simply put, that would mean restraint implies that fewer expenditures

mean less money to raise. At the same time, that would mean in effect taxes would be lowered; so there is a tax-lowering incentive here in this program.

Other indirect effects will result from the program of restraint. These are more subtle and longer-term in nature. Restraint will break the stranglehold that inflationary expectations has on our economy at present.

The perception of a combined and continuing inflation must be purged if this decline is to be dramatic and permanent. I point out that restraint will also strengthen the confidence of the economy of Ontario. To members of the business community, this means they will be able to retain some profits if they can hold back on the demands of their employees.

I am sure the employees in the private sector are willing to go along with this overall restraint program. They realize work is not there at present. We are going through a very trying period; they know it. This will create jobs.

Mr. Cooke: How will it create jobs?

Mr. Barlow: It is going to retain jobs, and the honourable member knows it is. It is going to retain jobs in the private sector. It is going to retain jobs in the public sector.

In effect, the government must deal with the reality of inflation as well as its image. It is through these longer-term effects that inflation's persistence will be successfully challenged. I have a few notes on jobs.

Mr. Cooke: Let's hear them.

Mr. Barlow: The member knows as well as I do that this government in its budget of May 1982 built in some \$171 million for short-term job creation programs. We have done this in the following ways. I know that members over there know, but I think I should read it into the record. I think people should be aware of the programs that have been going on and that are going on at the present time.

9:50 p.m.

There is \$10 million to help the universities and colleges with repairs and capital expenditures on their buildings and plants, in order to create jobs. These are jobs that were required but they were brought on stream now to assist the unemployment problem we have facing us today in Ontario.

The farm improvement program: \$11 million.

Mr. Breaugh: How many jobs there?

Mr. Barlow: I am talking dollars; the member knows the figures on the jobs. For the co-operative

employment fund, \$15 million; and \$35 million to local governments to assist them. Cambridge received \$65,000. There were \$35 million for the local governments. For road projects: \$60 million to advance some of the programs involving our highways and byways in this fine province.

[Interruption].

The Deputy Speaker: Excuse me. I would ask the guards to please clear all the galleries.

Interjection.

The Deputy Speaker: I am sorry. I am going to ask for all the galleries to be cleared right now.

Mr. Breaugh: Mr. Speaker, on a point of order: We have had this recurring problem of disturbances in the gallery. There is not a member here who would argue with the right of the Speaker to maintain order. But surely there is a distinction to be made between maintaining order and clearing all the galleries and I do wish he would take that into consideration.

The Deputy Speaker: I want to point out to the honourable member, that indeed over the evening what has been taking place is that a few people leave and, as they leave, they make comments. Of course everyone looks at that on the basis that, well, the people who are leaving are making comments, so it is all right. But it would seem to me that there was some kind of plan or approach for certain groups to be leaving, and as they leave they shout out comments to the gallery. That was my approach on the matter.

Mr. Breaugh: Briefly on the point of privilege, Mr. Speaker: There is a right for the public to attend this parliament and to watch—

Interjections.

The Deputy Speaker: The member for Oshawa has the floor.

Mr. Breaugh: I am not making an argument about the fact there is a precedent around here that the public in the gallery are requested not to make any demonstrations of any kind. I have no argument that when a demonstration occurs, the security guards, under the instructions of the Speaker, will solve that problem. My objection is to have the Speaker, the guards and anybody else presume that because one person says something in the gallery, all the galleries should be cleared. I really think that is unfair and uncalled for. It is unnecessary in creating a problem that is not there.

Mr. Speaker, you just said you thought there was some great plot, that as they leave, they

would say things. I think that is an unfortunate assumption for you to make. I would suggest you do not have a lot of grounds for that.

Just to sum up, Mr. Speaker, there is not a member in here who objects to quelling a disturbance in the galleries. That is just fine by every member here, but I have to put on the record that I personally take great exception to the notion that everybody has to leave because one person or two or three people do something they should not do. I think that is clearly wrong.

Mr. Barlow: Mr. Speaker, I will continue by saying that there are a number of programs in effect to help stimulate and create jobs in this province. It is a commitment of our government to get Ontario back to work, to get the unemployed back to work. I think it is necessary and this is one small piece of legislation that is going to assist in that long-term move. I am convinced the restraint program will get Ontario back to work.

Now I would just like to sum up by—

Interjection.

Mr. Barlow: Well, as I said, I will sum up, just listen to this if you did not hear the first part.

The rank and file of this province, not the militant people we have heard—I am certainly not putting all the public employees in one sector; there is no question about that. There are only a very few who cause the problems in any segment of society, but the citizens out there who are unemployed and the ones who are employed and facing a winter of not knowing whether they are going to be working for the whole winter, those people are willing to back this restraint program in any way they possibly can, so that in the short and long term we are going to find dwindling inflation, lower taxes and a strengthened confidence in Ontario's economy.

As representatives of a citizenry facing an economic crisis we must support this program by analysing the sizeable achievements we can make and articulating them to the province, which welcomes leadership. Our government has shown this leadership and will continue to work on behalf of a recovery that is both attainable and close at hand.

The Deputy Speaker: The member for Waterloo—

Mr. Epp: Waterloo North; as you see, Mr. Speaker, I am from the north, too.

Hon. Mr. Baetz: That's right.

Mr. Epp: The minister knows where Water-

loo is. He was born there, was he not? His father was a great Lutheran minister.

Interjection.

Mr. Epp: He loves to come to Waterloo, because the air is fresh, the crops are green, the grass is cut and the trees are trimmed.

Hon. Mr. Norton: That is because the Minister of the Environment is doing such a good job.

Mr. Epp: Except in Elmira, where we have Uniroyal and where the Ministry of the Environment is not doing its bit. Is that not right? Uniroyal is trying to do its darnedest, but the ministry keeps on interfering.

The Deputy Speaker: You have not even mentioned Bill 179 yet.

Mr. Epp: Now that you mention it, Mr. Speaker, I am glad to address my remarks to Bill 179, otherwise known as An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. That is the short title.

As you know, Mr. Speaker, our party supports this bill in principle, but we obviously have serious reservations, as the Leader of the Opposition (Mr. Peterson) has indicated from time to time.

The program is inequitable in many instances. The wage restraints apply only to those employed in the public sector. We believe, and it has been emphasized a number of times, that in order to have some kind of equity in the province and in the country this principle should be applied right across the board; we should not limit it only to the public sector.

We also believe that because wage increases are limited to only five per cent for all public-sector employees, those at the lower end of the income scale—mostly women, but also men; those people serving as clerks and secretaries—will no doubt be hit harder by these restraints than those in the upper wage strata. In other words, somebody who gets \$70,000 or \$80,000 in the provincial civil service and receives a five per cent increase obviously is not going to feel the pinch in the way the person who is making \$10,000, \$12,000 or \$15,000 is. In fact, the increase that some people in the upper strata will receive is almost equal to the total salary received by the people in the lower levels. Therefore, it is not fair.

It would be far more equitable for us to adopt some kind of system, such as they have adopted, for instance, in British Columbia, where there is a sliding scale. We know that in Ontario the

merit increase allowance is going to be affected. It would be much more equitable for our public employees to adopt the kind of system there is in BC, that is the sliding scale.

Another major problem we are concerned with in the restraint program has to do with prices in the private sector which are not subject to controls. As the Treasurer (Mr. F. S. Miller) pointed out so eloquently, or not so eloquently just a few days ago, the corporate profits were down 10.5 per cent in 1981 and down 50.1 per cent in the first quarter of 1982. That is a tremendous decrease for the corporate profits. I would assume the prices are going to be affected. The corporations are going to have to raise prices in order to recoup some of the losses they are going to suffer.

10 p.m.

If these corporations want to maintain their shareholder confidence then the prices are going to have to go up. Given the enormity of corporate losses, one could assume with a great degree of certainty that prices will have to be raised at a level significantly greater than five per cent. While wage settlements in the private sector may be lower than they have been traditionally, they will have to keep pace with the price levels and therefore will aid in keeping the rate of inflation above five per cent.

By keeping the rate of inflation above five per cent, the people who only receive five per cent, plus the extra load by jumping into another tax bracket with that five per cent, may end up by receiving only an increase of four per cent. With inflation running at around 10.5 per cent or thereabouts, and even if it decreases to seven per cent or eight per cent, they may be very close to five per cent below inflation. That is not fair to the public sector. The public sector workers, who have their wages controlled, will experience a decrease in their real disposable income and their purchasing power.

Given the short duration of the restraint program, and that is only one year, it is highly probable that public sector workers who would see their real disposable incomes decline under controls would, once the controls are lifted, try a catch-up program, as happened in 1975, 1976, and 1977. After earlier controls came off there was a real catch-up program. We are not arguing with the fact that they tried to do it; we all try to do it. We try to do it here in the public sector too; we try to arrange for some kind of catch-up program. If we have a restraint program for only one year, we are going to be right back into the inflationary spiral after one year if

nothing is done in order to plan for the post-restraint program.

As the municipal critic on this side of the House, I feel a greater sensitivity to the impact of this particular program on municipalities and their planning for the coming year. On September 23, 1982, the Minister of Municipal Affairs and Housing (Mr. Bennett) stated about the municipalities: "I indicated clearly that the number of dollars that were given to them a year ago would continue to flow to them, but any increases would be very marginal, if any."

At the annual meeting of the Association of Municipalities of Ontario at the Royal York Hotel on August 24, his text indicated that he was not going to contemplate any increases for municipalities, not even three per cent, four per cent or five per cent. Then when he actually read his text, he digressed and, in fact, indicated that there might be marginal increases. I am not sure whether it was that he could not read very well—in fairness, I am sure he can—but I guess in order to soften the blow at the last minute he said, "There might be a few increases."

I am not sure whether he is playing games or whether he is not. I know that sometimes the government tries to indicate very strongly that there is not going to be any increase and then, of course, at the last minute it gives an increase. So the municipalities will say: "That is great, the government gave us something after they indicated they were not going to."

I would assume the province intends to limit municipal grants to a maximum of five per cent. I do not imagine they will give any more than five per cent. This is especially worrisome when one considers that many of the costs municipalities now face are uncontrollable. For example, the Treasurer has indicated that Ontario health insurance plan premiums will not be subject to the five per cent increase restraint. Given that doctors' incomes are not restrained either, it is a fair assumption that OHIP premiums will rise somewhat in accordance with the increases in doctor's fees, which are slated to increase well above five per cent if we accept the agreement that was reached earlier this year.

As the members are aware, the majority of municipalities across Ontario pay all or part of OHIP premiums for their employees. Therefore, if OHIP premiums increase at a rate greater than the grant increases given to municipalities, this will place additional burdens on the budgeting and on the financial situation of municipalities.

Another cost crisis facing municipalities is

the ever increasing welfare roll. Indeed, the Treasurer pointed out this problem in his statement last Tuesday. Most members are aware that many municipalities across Ontario have already exhausted their welfare budgets for the 1982 fiscal year. Many more can be expected to exceed their welfare budgets as another 500,000 employable unemployed are expected to exhaust their unemployment insurance benefits and be added to the already burgeoning welfare rolls of this province.

It is imperative, therefore, that the government not only guarantees to meet its portion of the welfare costs, but also that it gives municipalities the money they need to meet their growing welfare needs. This is a very important sector. I know where the province is paying only about 80 per cent of these costs it is going to have to give some additional moneys to the municipalities, particularly the large urban municipalities in this province which are suffering.

I know my own municipality of Waterloo region, where welfare is under the regional jurisdiction as it is in other regions, is suffering badly because of the increased number of people on welfare and the lack of assistance by the province.

If these uncontrollable costs are not reflected in municipal grants these governments will be faced with a hard decision of either cutting services or increasing user fees. For example, in public transit, these fees are going to have to be increased if they want to keep a balanced budget.

As the members know, municipalities have to have a balanced budget. Unlike the province, and for that matter the federal government which continually have excessive costs and run up high deficit budgets, municipal governments cannot budget for deficits. Such action would be harder on the elderly and lower income individuals who traditionally are heavy users of public transit.

Municipalities could raise taxes, an action which could have harmful effects. For the worker whose wages are subject to the restraint program, an increase in taxes above five per cent would mean a decrease in his or her real disposable income. Again, this could lead to a drop in consumer consumption patterns, thereby leading to a decreased demand which translates into production cuts and layoffs.

Certainly, I am glad the former Minister of Industry and Tourism, now the Minister of Health (Mr. Grossman), was not in charge of putting out this restraint program because we

know when he puts out a brochure it is the glossiest brochure that was ever produced in Ontario, and some get pretty glossy.

I notice the Treasurer exercised a little restraint with this brochure, which just about fell apart; I had to staple it together. We should be grateful for small blessings, and I suppose one would be the fact the Minister of Health is not Treasurer of this province, because his restraint might apply to other people but it certainly would not apply to himself and to his publications.

In conclusion, I would like to echo the call of my leader to ask the government to plough the savings from the restraint program back into the economy to spur the creation of jobs which are so dearly needed. As I have mentioned, an obvious weakness in the restraint program is it may very well lose jobs. Therefore, it is imperative the government establishes significant job creation programs.

I would also hope that if voluntary restraint compliance from the private sector does not occur, the government will swiftly act to implement across-the-board wage and price controls for the private sector as well. Ontario as the major producing province is able to exercise such control.

10:10 p.m.

Such action can only lead to the adoption of similar controls across Canada. Other provinces would adopt controls in order to protect their competitive position. We have waited three long months for this small first step in the fight against inflation. The fight must not stop, and must not be delayed any longer.

Mr. Samis: Mr. Speaker, I want to speak on this bill and I trust you will bear with me if the speech is a little less lengthy than that of some of my colleagues. I somehow suspected the opposite side would cope with it rather well.

In speaking on this bill, I want to say some things in candor, and if the tone is a little more reflective than pugnacious I trust members will accommodate themselves to that as well.

In a personal vein I speak as someone who did not fully agree with my party's stand in 1974 at the federal level, when they were opposed to the idea of wage and price controls. I was one of those Canadians who said that on a short-term basis it was worth a try, and did support it. I did not support the idea of a three-year term for the wage and price controls, but with the inflation situation we had it was worth a try. I emphasize that was 1974.

I am also very aware of the current Gallup

polls. It is a simple fact of political life that the controls are popular, whether one looks at the Gallup poll or at Allan Gregg in Decima Research Ltd. We know the general mood out there is one of great anxiety and people are looking for a simple solution or a simple fix to the overall economic problems we are facing.

I will be candid. In my own riding last spring I did a survey and we had a record response to the questionnaire. In fact we had more than 1,800 replies. On one of the questions on that questionnaire, anticipating the advent and imposition of wage and/or price controls, the response was two to one in favour; which did not surprise me but was rather overwhelming nevertheless. I have included another question in the fall questionnaire, being interested in comparing the results. There the question is, "Are you in favour of wage controls if there are no controls on prices and interest rates?" and we will see if the same majority holds.

It does create within me a certain ambivalence, because I realize I am not in sync with the views of my constituents on this matter. I just felt I could not go along with something I did not believe in. I am aware of the need for restraint today, on government budgets as well as other budgets. When one has a serious recession such as we have, inevitably one will have a shortfall in government revenues and that is a serious problem. I am not one of those who would suggest that simple blind spending is the solution to every problem that we face today. I realize there is no simple solution to the economic recession we are facing. I do not think any political party would advocate there is a simple solution to it.

I realize there is a tremendous amount of scepticism among the taxpayers, probably aggravated by a growing sense of pessimism, and in some cases outright defeatism and resignation that none of us can solve. None of us politicians have the answer for it. I realize there is a growing feeling among people in that respect, and that affects this party and both the other parties in this House and any party in Canada—the Western Canada Concept in Alberta or any other new party on the scene in any province.

I am also very aware of the reality that civil servants are not very popular in society. I realize they are a very easy scapegoat for society's ills, especially in a time of anxiety such as we are facing now. I realize there is a general feeling that public service employees, especially the ones traditionally called civil servants, have a job for life if they want it. People in the private

sector somehow resent it when they know their jobs are in jeopardy or they see their colleagues and friends being laid off or put in jeopardy. I do not like this resentment towards civil servants by people in the private sector, but it is a fact of life and I would be a liar if I said it was not out there.

In speaking on this bill I would like to put it in the context of my own views as a member of the Legislature and representative for the riding of Cornwall. They are not the result of anybody lobbying me—any interest group, any union, any individual. These are conclusions I have arrived at and do not represent the result of being swayed by any one interest group in society. As a member I think I would be able to rise above that, if that were to be the case.

If we look at 1982 it has been a difficult year in this province and in every other province. Let us look at the ordinary people of the province and go back a few months to see what they have been facing this year. The first blow to the average person was last spring's budget. It was a pretty tough budget for a lot of people. It cost between \$150 and \$300, depending on whether or not they paid their Ontario health insurance plan direct. They faced the prospect of higher OHIP fees, which are coming into effect, higher taxes, extending the sales tax and a variety of provincial fees being increased. That was the first blow.

It was followed, in May I believe it was, by the MacEachen budget, which again for the average family in Ontario meant they lost another \$100 to \$120 in purchasing power as a result of some of the tax changes.

The figures from Statistics Canada comparing prices this summer with the previous summer is the third major blow to the average person in the province. Mortgage costs, compared with a year ago, are up 23.9 per cent; gasoline prices 18.9; car insurance 30.2; transit fares at the local level on average 22.6; and energy prices 17.6.

Another blow faced by many people living in this province in 1982 has been the record number of layoffs, plant closures and bankruptcies. In my own riding since we adjourned in July we have been faced with two layoffs and the announcement of a third one. Two are in the textile industry and one in the building construction business.

We had all sorts of temporary closures, shutdowns and layoffs that do not make the newspapers but are facts of life. I think that is represented in the figures released in August

when we had a 52 per cent increase in the number of welfare recipients in the employable category.

I want to take this opportunity, not in a purely partisan vein, to congratulate the member for Scarborough West (R. F. Johnston) for what he has done in the past month. I think more than anyone else in this House he has been able to dramatize what it is like for people in this province to have to live on welfare. He has made a tremendous contribution to fighting the old game of welfare bashing that some politicians love. If there is one group in society that should not be bashed around it is these people, probably the most unfortunate in society. We all know there are people who abuse it, just as we all know that people at the top abuse the tax system opening.

If we look at the context of this bill, we are talking about 600,000 people being unemployed, rising unemployment in virtually every community in the province—eastern Ontario, central Ontario, southwestern Ontario, northern Ontario. Times are tough, in pure and simple language, and everyone here knows it.

As a member of the opposition I have to confess I am a little bit surprised to see that a government that calls itself Conservative would intervene in the economy to the extent this bill represents. I suppose I should not be surprised; I should be accustomed to that fact, because since 1971 it has had a consistent record of deficit financing, which is kind of odd for a government calling itself Conservative. It has expanded the number of crown corporations in the province and virtually every year it is expanding that number by creating at least one, if not more than one, new crown corporation.

We all know about the \$600-million investment in Suncor. We all know about the Trillium adventure—Captain Malcolm and his crew. We all know this Conservative government—rather ironically, as I love to engage in dialogue with my colleague the member from London North (Mr. Van Horne) on a Conservative government—perpetuates rent controls. Now we have this. No wonder people say there is no Conservative Party left in Ontario.

I had a rather interesting conversation last weekend with a gentleman who will go unnamed, a former member of the Frost cabinet, who just happened to be visiting our community on the weekend. We discussed the moves of the Davis government. He agreed with me that it is rather hard to find a Conservative streak in the recent

announcements of policies being followed by this government.

Mr. Piché: What is his name?

Mr. Samis: No names given. That was a condition. Long before the member's time anyway.

10:20 p.m.

Not only does this government seem to be going way beyond the traditional bounds, norms and values of the Conservative philosophy they pay lip service to at election time, they even seem to be going beyond the federal government and the federal Liberals. They are advocating controls on wages just for civil servants. This government wants to go one step beyond that and impose them for the private sector and for upwards of two years, if possible.

I would think it would be kind of hard for a small-c conservative, who reads how actively Keith Davey has propagated this program and how he has cynically manipulated it for maximum political benefit, to think this is a purely economic program to deal with a purely economic situation. If you read the article in Maclean's magazine of August 16—I thought they had a fairly interesting article called "Chairman Keith's Big Red Book" not Chairman Keith from you know where, but the real Chairman Keith in Ottawa, the senator—it says:

"Each book contains a four-page political game plan written by Liberal Senator Keith Davey, with mock questions and answers, a model speech, a model letter to fellow Liberals and a list of community opinion leaders recommending the MPs as people to be wooed throughout the summer. The Davey memo declares the six per cent solution will save the economy, so it must be explored by every Liberal to rescue the beleaguered party. The senator announces the party is now on a campaign footing."

That makes one wonder about the origins of six and five—whether it is economic or whether it serves some other interest related to the Gallup poll standings for the past six months across the country. In the article they have some interesting quotes from Chairman Keith's big red book. He says:

"In fact the government has opted for some political hardball, therefore it must work. It will work if the posture is one of firmness in these times of crisis. Credibility will be reinforced over and over again each time the six and five line is held. Each rollback or cabinet decision will reinforce the vital impression there is a firm hand on the tiller and the economy is being managed.

"Notwithstanding all the efforts of the government, however, if the program is not reinforced on the political side, the Liberal Party will not reap the maximum benefit. The key is to sustain the momentum of one theme well into the fall. We must create the impression of economic progress, i.e., the budget is working."

That makes one wonder. If I were a Conservative in Ontario, reading some of these other quotes here as to how Chairman Keith is manipulating this whole thing for political and partisan political benefit, would I want my province and my government jumping in bed with Senator Keith Davey and what he is up to?

It is interesting that a Conservative government that is frequently critical of the federal government for intervening too often in the economy, is going well beyond whatever Marc Lalonde wants, who very clearly said no to the idea of controls being extended to the private sector. Big businesses have made it very clear, whether the Canadian Manufacturers' Association or the chamber of commerce, that they are opposed to extending controls to the private sector.

Somehow in Ontario we have a government that wants to go beyond Pierre Trudeau, Marc Lalonde and the business community and impose not only public sector controls but private controls at the same time. It really makes one wonder. I am not surprised that we would see in a Toronto Star story several weeks ago, "Tory Blasts Private Sector Curbs" and refers to Mike Wilson the Conservative finance critic. He says:

"The problem is not in the private sector, it is in the public sector. To impose a program of across-the-board controls in the private sector reduces its capacity on that side of the economy to pull us out of a recession. The last thing government should be doing is holding back the private sector when so many companies are already in positions of lost profits or low profits."

This is the Conservative Finance critic, the potential Minister of Finance for Canada, and he is saying he does not want to have anything to do with private sector controls. I presume Joe Clark agrees with him—but not the government of Ontario, not the Premier. They want to go beyond the Conservative Party at the national level. I would suggest that is quite a feat to have a Conservative Party that wants to go beyond Pierre Trudeau, Marc Lalonde, Michael Wilson and Joe Clark.

We are supposed to be the party that is always intervening in the economy, always interfering with the private sector. I would dare say my

good friend the cabinet minister must really be wondering: "What next in Ontario? What does 1983 hold for us?"

Mr. McClellan: Let alone 1984.

Mr. Samis: And 1984 is not far away.

Interjections.

Mr. Samis: I am sure the member for Cochrane North (Mr. Piché) is looking forward to 1984 with great anticipation, as we are on this side.

Mr. Speaker, in the few remaining moments of the debate I want to begin with some of the reasons I am opposed to this bill. First of all I pointed out at the beginning that in 1974 I was not opposed to the introduction of modified wage and price controls. Let us compare the situations in 1974 and 1982. In 1974 we were talking about inflation rates of approximately 11 per cent. The unemployment rate was 6.3 per cent, wage settlements were well above the inflation rate and I think most people would agree that a clear-cut inflation psychology was permeating both the public and the private sector.

Compare that with 1982. Inflation is now 10.6 per cent and declining. If I am not mistaken, there was an article in the Toronto Star tonight about the Economic Council of Canada making their predictions for the next three years; on inflation they were predicting an average of 7.9 per cent for the period 1983 to 1985, and beyond 1985 they say we can look forward to an inflation rate in the general realm of 7.2 per cent.

So here is the prestigious economic council making predictions that inflation will soon be down to single digits long before six and five was imposed, long before this program was ever dreamed up. So the situation is clearly that inflation is going down in Canada; it was going down a year ago. In July 1981 the official inflation rate hit the magic figure of 13 per cent, double-digit inflation. I wonder where the government was then when we had double-digit inflation at 13 per cent.

Most economists are predicting that we will be below the 10 per cent figure by the end of the year or early in the new year, and most of them are predicting, along with the economic council, that it is going to stay in single-digit figures for the next two to three years. Whereas in 1974 there was an unemployment rate of 6.3 per cent, we are talking today of more than 12 per cent, and in real terms it is probably much closer to 15 per cent. In other words it is double what it was in 1974.

In summary, in 1982 we have a situation where inflation is going down, not up. It was going down before six and five was introduced; it was going down before the five per cent solution was introduced. We have unemployment at a record level in 1982—record layoffs, record bankruptcies—and we have a general mood of pessimism and retrenchment, not of expansionism, not of greed and not of people getting more and more.

Jean-Luc Pépin, I think, was very forthright, although he got his knuckles rapped, when he said the federal six and five program would mean more unemployment. It is a fact of life: Six and five does mean more unemployment. He did not deny he said it; he just said, "I am sorry I said it, but it is a fact of life." And he got reprimanded.

So we also know that with six and five and more unemployment we will have more unemployment insurance costs and more welfare costs. I would also argue that the recession itself, the mere fact of the depth of this recession—the layoffs, the bankruptcies, the lack of consumer confidence, the high interest rates, the high unemployment, the general lack of investor confidence in the future—all those factors serve as the single most effective, most potent anti-inflation force in our society today, not the government of Ontario, not the government of Canada. It is a simple economic fact that we are in the worst recession since the 1930s, and that is the single greatest anti-inflation force in our society today, sadly but truly.

Inflation, I emphasize, started to decline before six and five, it would have continued to decline without six and five and it will continue to decline without six and five or without the five per cent solution.

Mr. Speaker, I think maybe I will stop there.

On motion by Mr. Samis, the debate was adjourned.

10:30 p.m.

ADMISSION TO GALLERIES

Mr. Renwick: Mr. Speaker, before the government House leader moves the adjournment of the House, I have a sense that the privileges of the House collectively, and my privileges particularly, have been infringed by the direction of the Speaker to clear the galleries.

I find that term an offensive term. I find it a term for which there is no reference in the standing orders. My sense, sir, is that you should, at the opening of the session tomorrow if at all possible, explain clearly to this House under what authority and by what right you as Speaker cleared the galleries as has happened on two occasions today. What are the rules which govern it and what governs you, sir, in making your decisions?

I have read with interest a number of times over the years, and particularly tonight, the provisions of our standing orders dealing with this question and I do not understand them or the procedures which you used. I would ask you, not only for my benefit but for the benefit of the whole House, to explain at the earliest possible moment what the process is by which you cleared the galleries of the House.

Mr. Speaker: If I may just comment on that, you asked me to have something for tomorrow. I was not planning to be here tomorrow and I might as well share that with you now. I would like to wait until the early part of next week, if I may.

Mr. Renwick: Yes, certainly, Mr. Speaker.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to inform the House that the business of the House for the next several days will be continuing the resumed debate on Bill 179. We will debate the bill tomorrow morning, Monday afternoon, and Tuesday afternoon and Tuesday evening.

The House adjourned at 10:32 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. 109

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Friday, October 1, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, October 1, 1982

The House met at 10 a.m.

Prayers.

The Acting Speaker (Mr. Cousens): Oral questions.

Interjections.

Mr. Peterson: Mr. Speaker, do you think we could delay a moment until the important members show up? What should we do?

The Acting Speaker: We will give you an extra moment to place a longer question.

Mr. Peterson: I appreciate that. My colleague has a point of privilege.

LEAKING OF PREMIER'S STATEMENT

Mr. Bradley: Mr. Speaker, you will be very interested in this point of privilege, as an individual who is concerned about the fact that certain members of the news media were able to get hold of the government's statement ahead of time. I read an editorial in the St. Catharines Standard on September 18 of this year, before this House was convened, which said they had a copy of a speech by the Premier (Mr. Davis) in which he was going to say that he was going to sell his jet.

I think it would be worthy of an investigation on your part as to how the editor of the St. Catharines Standard was able to get hold of the Premier's speech as privileged information before the members of this House.

The Acting Speaker: Thank you. As a point of privilege that will go down as one of those efforts that did not get past the Chair.

CORRECTION OF RECORD

Ms. Copps: Mr. Speaker, on Wednesday in the standing committee on social development, a question with respect to the core programming committee was asked by the opposition.

The Acting Speaker: It does not sound as if the member is leading to a point of privilege that is to be dealt with in the House.

Ms. Copps: It is a point of privilege referring to the Hansard for that particular day's committee.

The Acting Speaker: No. I am going to rule the member out of order even at this early point.

Ms. Copps: Can I not correct the record, Mr. Speaker?

The Acting Speaker: No, not in this House for a committee.

Ms. Copps: I am not allowed to correct the record for the standing committee on social development?

The Acting Speaker: The member can check the committee record. We will start with oral questions.

Ms. Copps: Can I not correct the record? Mr. Speaker, may I not correct the record?

The Acting Speaker: Where the member can correct the record is in the committee.

Ms. Copps: The committee is part and parcel of the structure of this House. I am simply asking to correct the record.

The Acting Speaker: It is through the committee that the member corrects the record. There will be opportunity within that committee of the House to do so.

Ms. Copps: Mr. Speaker, it is my understanding that I can correct the record in the House or in the committee. I would like a ruling on that.

The Acting Speaker: I have ruled, and I am asking the Leader of the Opposition for his first question. There are enough members here for the Leader of the Opposition to ask a question.

Ms. Copps: Mr. Speaker, I wonder if you could refer me to the particular statute upon which you make your ruling so that I might enlighten my own mind?

The Acting Speaker: I will refer the member to the section following question period.

[Later.]

The Acting Speaker: Just one comment regarding the question of privilege, section 84 of the standing orders would give you the rationale for the Speaker's ruling.

ORAL QUESTIONS

LAND BANKING

Mr. Peterson: I want to thank my colleague for the first-class effort she put up on my behalf, Mr. Speaker.

We will just have to do the best we can

with what we have. It is not easy. However, let me ask a question of my friend the Minister of Municipal Affairs and Housing.

I note with some interest his apparent change in policy, enunciated in a committee of this House yesterday, with respect to the government policy on land banking. Is it now his intention, having recognized the folly of his ways—such as the hundreds of millions of dollars that have been wasted and the well over \$100 million a year in interest that these land banks are accumulating as the government continues to hold them with no productive use—to divest himself of these land banks completely? What are his plans? How is he going to get rid of them? How much money is he going to lose in the process?

Hon. Mr. Bennett: Mr. Speaker, I am sure if the Leader of the Opposition was in the committee yesterday, along with members of his party who were asking some of the questions, he would know the answers already.

Mr. Bradley: Tell us now.

Hon. Mr. Bennett: Yes, we will tell the member. Just settle down for a moment or two. Do not be so anxious. The answers may not be the ones the member wants and, indeed, maybe they are the same as his political position. I do not know.

Frankly, I did say yesterday under questioning that we certainly had a substantial land bank held by the province of Ontario. It had been acquired in a great number of communities such as Kitchener, Ottawa and various other locales in Ontario in anticipation of some expansion and necessary requirements for housing development.

Obviously, the economy has not gone in the direction that would be advantageous for holding that size of land bank. Let me assure the member for Prescott-Russell (Mr. Boudria) that even though we as a government in this province, on behalf of 8.5 million people, do have substantial land holdings we are not in a much different position from those in the private sector.

Look around at some of the financial reports today in relationship to some of the major development companies in Ontario and in Canada. They are in a like position, with massive land holdings with very substantial deficit factors to their shareholders, as we have to the 8.5 million shareholders in Ontario.

It is our intention, as things develop and the opportunity presents itself, to dispose of the

land at the market position. We have succeeded in doing that in various locations in the province.

10:10 a.m.

As I mentioned yesterday in the committee, we have already sold off a fairly substantial land holding we had in the Borden farm area in the city of Nepean just outside of Ottawa. We have had other bids on lands we happen to own and we have disposed of them.

We have some very expensive land holdings in Malvern and we are disposing of those over a period of time. I want to make it abundantly clear to this House, as I did yesterday in committee, that we are not putting our land on the market at a fire-sale price.

Whatever profits or losses we experience will only be determined at the end of the day. The Leader of the Opposition is in the business world. He knows very well one cannot project one's losses at a halfway point. One can only understand what one's losses will be at the conclusion of the sale program.

Mr. Peterson: The minister must be aware that this whole program has turned out to be a profound embarrassment for him and his predecessor. Because of the very high interest cost that was accumulating, he changed his policy two or three years ago so that the Ontario Land Corp. would no longer be charged interest. Instead, it would be charged back to Treasury which originally bought the land, because the government knew it could never make money under ordinary accounting principles, i.e., charging the interest to the land accumulated.

The minister is aware that the government has \$19 million invested in Oakville, \$11 million invested in 3,000 acres in Cambridge, 1,500 acres in Hamilton costing over \$31 million, \$16 million invested in Milton, \$20 million invested in Whitby, and \$280 million invested in Pickering. That money is all gathering interest every day.

Interjection.

Mr. Peterson: The minister should hear about this. We have told him before it was abject foolishness. The government should have started to divest itself a long time ago. If the minister is embarrassed, that is his fault not my fault.

In Ottawa, the government has over \$13 million invested in 5,000 acres. In Townsend, it has \$47 million invested in 13,000 acres and is still trying to force-feed that community and losing money on a much grander scale there. In Cayuga, it has \$36 million invested. In

Edwardsburgh, it has about \$10 million, all accumulating interest—

Hon. Mr. Bennett: No, Edwardsburgh is not in my area of responsibility.

The Acting Speaker: Could we have the supplementary question?

Mr. Peterson: It is in government hands. Why does the government not move with some dispatch? Why does it not recognize the folly of its ways and recognize that if it sells sooner rather than later it will be in a position to cut its losses, because it is losing more every single day?

Hon. Mr. Bennett: The market will digest only what the economics of the day can afford. Cadillac-Fairview, as a major development company in this province, in this country and, indeed, in North America, has said very clearly it would like to get out of the housing development industry.

It has very extensive land holdings in Mississauga and a few other jurisdictions. It has not put its land on the market at a fire-sale price and we do not intend to do so either. Cadillac-Fairview will wait until the market turns around and we will do the same.

Hon. Mr. Davis: I don't think Mr. Matthews is going to do it either.

Hon. Mr. Bennett: No, there are very few of them.

Mr. Peterson: Mr. Matthews is a Tory and he is not too bright either.

Hon. Mr. Bennett: He is bright enough to have made a few million, I understand. The Leader of the Opposition would know it better than I because of his relationship with him.

I think if the leader of the official opposition would look, when he talks about the interest clock on our holdings having stopped, we have tried to put ourselves in a position similar to the private corporate sector which takes out its capital through a share-sale position, thereby not incurring interest on new land purchases. That is one of the reasons the private sector, other than for taxes and some other costs of administration, has been able to hold land costs at pretty well a standstill position.

We are trying, as far as possible, to follow a similar pattern, to keep our lands within a reasonable cost range for future production and use in the development of housing or whatever the potential happens to be for that land. I am not embarrassed by the fact that we have it any

more than the private sector is. Certainly, if we had our choice now we would dispose of it at book value at least; that is not possible under the economic conditions that prevail in the marketplace today.

Mr. Breaugh: Mr. Speaker, since the minister has stated fairly clearly that it is his intention to sell off these properties, how will he deal with those massive amounts of property the government owns in the North Pickering site? They were expropriated, and by some people's definitions the fact that they were expropriated precludes the concept of selling them off to the private sector.

Hon. Mr. Bennett: No, Mr. Speaker, it does not exclude it at all. The member knows very well that it does not exclude it, because it was always the intention of this government to eventually develop a new community in the North Pickering project. Indeed, those lands will come under the planning and zoning of that community and that region. They will then be subdivided and developed in a pattern similar to that of any other new subdivision or development in the private marketplace of Ontario, so it is not the case that we are restricted from the sale of it.

If the member had been here yesterday at the beginning of the session he would know I said very clearly that a number of acres of land held by this government in the Ontario Land Corp. in the Pickering project will eventually go out of our ownership, not for sale but back into conservation and a few other public crown corporations for the preservation of those lands that are on ravine situations and so on.

Those lands will not be sold, but they will be kept outside of the land corporation. There are other tracts of land, the member knows very well, within that project that are for long-term farming purposes for a buffer around the area we happen to have acquired. Some day in future there will be a new community there and we will be at an advantage to be able to sell it through subdivisions, through blocks for development by the private sector.

Mr. Peterson: The minister has gone through so many rationalizations on these purchases, from new cities to farm lands to hybrid poplar trees for energy experiments to waste disposal sites, and the list goes on and on. The best minds in the government are applied to the process of rationalizing these originally stupid decisions that have been made.

Now at least, I gather, the government has announced a change in policy and is going to sell off that land as it sold off the jet. I give the government credit. They are a little late to see the truth of these matters, but occasionally they come around. Now the minister is trying to justify it by saying, "The private sector is just as stupid as we are and it has lost money."

I do not care whether they charged interest to those projects or not. It is still accumulating interest. The taxpayer is paying interest on those. The longer the government holds them the more interest we will have to pay. Why not move with some dispatch to get rid of this profound embarrassment, or else we are going to keep reminding the government how really foolish they have been over the last 10 years.

Hon. Mr. Bennett: First of all, I think the Leader of the Opposition should go back and review the situation of this government, because I think he has got things a little confused. We have not had a change of policy. It was obviously our—

Mr. Peterson: You did not change your view of the jet either, did you? You rationalized that one; you never changed.

Hon. Mr. Bennett: The member for Cochrane North (Mr. Piché) will tell you a little bit about the jet if you want to hear from him.

If the leader of the official opposition will look back, it was always the intention of this government to eventually move all those lands back into the market system, either under our development—

Interjection.

Hon. Mr. Bennett: Chuckle if you wish. The member for Hamilton Centre (Ms. Copps) sits and chuckles at the improvement we have had.

The Acting Speaker: The minister will answer the question, please.

Hon. Mr. Bennett: It was always our intention to move the land back into the marketplace. I admit, as any other private organization would admit, that the period of time it will take will be somewhat longer than we had originally intended.

While the leader of the official opposition sits here talking about our land banking policy, we set out with land banks to try to capitalize on some new developments that could take place in the province. While he sits talking about disposing of land banks, his friends to the left want to talk about retaining and developing further land banks, which I do not agree with.

We bought the land at the right price. It will

be put on the market at the opportune time to help in the economic development of Ontario.

Hon. Mr. Davis: Go back to some of the speeches of your own party.

Mr. Peterson: Why do we not read some of your speeches about the jet if you want to read old speeches?

Hon. Mr. Davis: I never made any speeches about the jet.

Mr. Bradley: You were too embarrassed to do so.

The Acting Speaker: Order, please. New question.

Interjections.

The Acting Speaker: Order, please. The Leader of the Opposition has an opportunity to ask his next question. Do not be provoked.

Mr. Peterson: He is provoking me. Tell him to settle down. It is Friday morning.

Hon. Mr. Davis: Is it true that you won the demolition derby?

Mr. Peterson: It is true. Speaking about that, why would you sic your ministers on me to try to wipe me out? That shows what kind of small guy you are.

The Acting Speaker: Is that the Leader of the Opposition's question?

Mr. Peterson: You failed there, and you will fail any other time you try. I had a little higher view of you personally.

10:20 a.m.

The Acting Speaker: I assume that is not the Leader of the Opposition's question. To whom is the Leader of the Opposition addressing his next question?

Interjections.

The Acting Speaker: Order, please. The Leader of the Opposition has not yet asked his question. Of whom are you going to ask it? Begin with your question.

Mr. Peterson: He has accused me of not wearing my seatbelt. My car was standing idle in the parking lot. They did not even give me a running chance. If it had been two moving cars I would have said fair enough.

Hon. Mr. Davis: Your party has been standing still for generations.

Mr. Peterson: It is the only way they have a chance, when we are sitting there.

The Acting Speaker: You have an opportunity to ask one question.

Mr. Peterson: He is provoking me. The Premier does a lot of silly things on Friday mornings, does he not?

The Acting Speaker: Please do not be distracted.

ADVISORY COUNCILS

Mr. Peterson: Mr. Speaker, I have a question of the Provincial Secretary for Social Development. In her speech to an Ontario advisory council, why did she use such intimidating language with these people? Why did she say to those people, "Your mandate does not include reviewing proposed government legislation or policy unless I specifically refer it to you for your advice"? The minister is aware that she offended a number of people. Why would she take that kind of high-handed approach with the council?

Hon. Mrs. Birch: Mr. Speaker, with the greatest of respect, I do not know to whom the honourable member has been speaking. I have a very good relationship with all members of all the advisory councils and I am not aware of anyone taking exception to those remarks.

Mr. Peterson: I am referring to the speech she made to the Ontario Advisory Council on Senior Citizens saying exactly what I said. She told them they had no mandate to review proposed government legislation or policy. Yet the terms of reference of the Ontario Advisory Council on Senior Citizens in the original order in council are to review current policies which have a bearing on ageing and the economy. Is she just trying to get them out of her hair? Are they being embarrassing to her? Why is she not using them to their full capacity?

Hon. Mrs. Birch: I think the honourable member is really reaching for something that is not there. I have the greatest of respect for each and every one of those advisers on those councils. I have used them whenever possible. I was just pointing out to them that it is not the policy to give them proposed legislation—all kinds of legislation—but we have asked on many occasions for them to review any proposals we are bringing forward.

I do not understand all this concern about expressing to them what is clearly their mandate. I have been finding total acceptance from the chairman and all those members. I have had no problem at all. I think the member is trying to raise a red herring that is not there.

Mr. R. F. Johnston: On a point of privilege,

Mr. Speaker: I am just wondering if it is true what I heard through the Liberal researchers today—that the minister spent the summer at the Margaret Thatcher school of management practices?

The Acting Speaker: That does not really fall into line with the question that was asked.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Treasurer. Can he confirm to the House what three of his Treasury officials have confirmed to our research department, namely that a study of provincially administered prices was used by his ministry in preparing his price review legislation and program?

Could he also confirm that a list of what Ontario considers provincially administered prices was prepared and a list of the trade unions whose contracts would be affected by the legislation and the wage control program was prepared? If he will confirm that, as three of his officials have told us, why did he not make that available in the compendium of information when he tabled Bill 179?

Hon. F. S. Miller: Mr. Speaker, I hope the honourable member realizes that we always instruct our staff to be as helpful as they can when he phones for questions. We do not run a closed shop. The very fact that he has this information shows that. If a piece of paper is not attached to a compendium, and there are many that could be, we make information available as fast as we can should the member want to have access to it.

Mr. Foulds: Can the Treasurer explain why our research director—after trying to get those documents since the tabling of the legislation and after being led to believe by ministry officials that it would be coming yesterday—was told yesterday, "The decision has been made not to give you the information"?

Since the implication was that the decision came directly from the Treasurer's office, can he tell us what information he is hiding and is afraid to table in this Legislature or give to the opposition parties so they can discuss this legislation?

Hon. F. S. Miller: I sense that the material the member is talking about is the kind of material that is readily available. He has a very good research staff. If I wanted to know the unions, I could find them out faster from him than from my own ministry.

The Acting Speaker: This will be the final supplementary.

Mr. McClellan: It's not the final supplementary.

The Acting Speaker: The Liberals do not want to ask a supplementary, so it will be the final supplementary.

Hon. Mr. Norton: Make it good, Ross. This is the last one.

Mr. McClellan: I do not know about that.

The Acting Speaker: The member for Bellwoods has the floor.

Mr. McClellan: Mr. Speaker, does the Treasurer have a list of the number of collective bargaining agreements that will be rolled back by Bill 179 by virtue of the fact that these are two-year agreements, the second year being within the control year, and can he provide us with that list?

Can the Treasurer tell us whether on that list there might be approximately 100 Canadian Union of Public Employees agreements, principally in the municipal and school board sectors, which contracts extend into the control years in the second year and will be rolled back?

Can he tell whether each of those will be on the list and whether there are others on the list? How many contracts altogether are going to be abrogated or torn up and the legally signed second-year agreements rolled back to five per cent?

Will the Treasurer give us that list, and will he give us as much information as he can right here and now?

Hon. F. S. Miller: Mr. Speaker, yesterday I saw the list the acting leader is speaking of. He should keep in mind that I have been kept relatively busy and occupied with the debate, so it is not always easy to get to me for a decision on some of these things when I am sitting here instead of in the office.

However, that list did not have any of the information the honourable member is talking about; it was simply a list of unions that for one reason or another bargain in the public sector. It did not say whether they had contracts that were being changed in their second year.

I am sure that information may exist somewhere, but I will be quite honest: if it does, I have not seen such a list at any time, nor would it necessarily have come to the Treasury's attention. More likely, it would have come to the attention of the Management Board or the Civil Service Commission.

EQUAL PAY

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Labour. Does the minister remember that in his meeting with the Equal Pay Coalition on August 27, he informed more than 20 representatives of labour and women that he would not be implementing his legislation on equal pay for work of equal value? Can he confirm that he told the meeting, "At times when the economic climate is not good, you have to take care of business first"?

Did the minister also say that even though everyone understands and supports the need for equal pay, he still would not implement it and he could not even get his amendments before the cabinet for consideration?

Hon. Mr. Ramsay: No, Mr. Speaker, I did not make those comments.

Mr. Foulds: At that meeting, did the minister indicate to Mary Cornish, the chairperson of the Equal Pay Coalition, that his ministry or his government had done an extensive study of the cost of implementing equal pay legislation? Will the minister table that information in the House and make it public?

10:30 a.m.

Hon. Mr. Ramsay: Mr. Speaker, I did not indicate that we had done an extensive study. I referred to the Gunderson report which was tabled in this House last spring.

Mr. Wrye: Mr. Speaker, the minister has been quoted as saying that legislating the concept of equal pay for work of equal value would amount to the straw that would break the camel's back for business.

Can the minister inform this House what evidence he has for this position, that merely introducing fairness in pay for women is thereby dooming business to failure? Taking into consideration that this government did nothing on this issue during the business boom years of the 1970s, when, according to the minister, would be the proper time for the introduction of such legislation?

Hon. Mr. Ramsay: Mr. Speaker, what I said at that time, among other things—and we had a very good meeting and good conversation and good dialogue—was that I had a choice. I could say, "Yes, we are continuing to review the circumstances and we feel strongly about this matter and eventually we will be coming forward." And I could send them away and probably I would not hear from them for another year.

That was one choice, the political one, so to speak.

Alternatively, I could say: "I can be frank and honest with you and indicate that I do not feel the atmosphere at this time is right or appropriate for introducing legislation that is not in existence anywhere in the United States. It is in existence in Canada only in Quebec and in those companies that are administered by the federal government and we have not yet had any real experience. We have not yet been able to deal with the experiences of the Quebec legislation or with the federal legislation. In view of all of those things and the fact that the work place is in a very fragile condition these days, it would be very difficult to bring forward legislation of that nature."

Mr. Foulds: The Conservative government has professed that it was very difficult to bring forward Bill 179; yet it was able to do so.

Can the Minister of Labour explain his inability to bring forward legislation that would make equal pay provisions a reality in this province, at least, and can he tell us if his ministry did any study of the impact of Bill 179 on the wages of working women, for example, those in the civil service? Did he know that the impact of the bill would be to roll back the wages of 15,000 women in the clerical and office category in the civil service? If he did know, why did he allow the bill to go forward in the shape that he did? Did he not care or did the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) overrule him?

Hon. Mr. Ramsay: I believe it is misleading to cast this argument in terms of equal pay. Bill 179 expressly provides that section 33 of the Employment Standards Act—that is the equal pay section—has primacy over the numerical wage increase limits that are stipulated in the Inflation Restraint Act. The Inflation Restraint Act does not distinguish in its terms between male and female employees and is therefore neutral in its application.

ABITIBI-PRICE WAGE CUTS

Hon. Mr. Ramsay: Mr. Speaker, I have the answer to a question that was asked on Monday by the member for Algoma (Mr. Wildman) in respect to the Abitibi-Price operations in White River.

The honourable member is not here so perhaps I could ask the deputy leader of the third party if he would like me to present this now or

hold it until Monday when the honourable member will be here.

Mr. Foulds: Now. Go ahead.

Hon. Mr. Ramsay: Mr. Speaker, on Monday the member for Algoma raised a question concerning Abitibi-Price and its new agreement with the Lumber and Sawmill Workers Union at White River. I can appreciate the concerns of the honourable member. This is a community in his riding, and not too far from my riding, that has had many problems notwithstanding this latest one which would be quite disastrous.

I inquired into the matter further in an attempt to determine the background of the company's request for contract concessions. I talked with officials of Abitibi-Price, including the president. It appears that the company has taken the position that since it has incurred substantial losses at its White River operation, it is therefore asking the union to forgo scheduled wage increases over the remainder of the term of the current collective agreement.

The company has apparently advised the union that some concessions of this sort are necessary in order to preserve the White River operation. I have learned that in the period since 1978, when this plant first started to operate, and not including their startup costs or their capital costs, their losses for operation only total \$17 million.

The member for Algoma indicated in his question that the plant was inefficient. The information I have received, and which I only pass along, is that while it did have problems at the beginning, it is now considered to be as efficient as any similar operation in eastern Canada.

The honourable member also indicated that this plant was built with government funds. I would state respectfully that this is not completely correct. The capital costs, exclusive of startup costs, were \$16,543,000. The only government money in there is \$1.26 million which was a Department of Regional Economic Expansion grant.

I would not want to prejudice the position of either party by passing judgement on what appears to be a very difficult situation. Under the Labour Relations Act, a collective agreement can be amended during its term only by mutual consent. There is nothing within the law, to my knowledge, that prevents an employer seeking concessions during the term of an agreement. At the same time, there is nothing in the law that requires a union to agree to such requests. In other words, it is up to the union to

decide whether amendments to the existing agreement are necessary or desirable, given the circumstances of the particular case.

If either party to a collective agreement believes the conduct of the other side amounts to intimidation contrary to the Labour Relations Act, as suggested on Monday by the honourable member, there are procedures by which such allegations may be examined by the Ontario Labour Relations Board. The facts in my possession would lead me not to believe that any improper conduct has occurred. However, it is for the board to consider any complaint it may receive.

No one takes comfort in economic circumstances which give rise to requests to reopen collective agreements. My hope would be that the parties to this particular agreement at White River can resolve their mutual problems satisfactorily for the benefit of the employees involved and I intend personally to continue to press the senior officials at Abitibi to enter into the discussions on that basis.

NIAGARA RIVER POLLUTION

Mr. Elston: Mr. Speaker, I have a question to the Minister of the Environment with respect to Monday's announcement about the planned intervention in negotiations with Hooker Chemicals concerning their S area dump. The minister realizes that another Canadian group, which includes Pollution Probe and Operation Clean Niagara, with technical assistance from Environment Canada and legal assistance from US lawyer Barbara Morrison, will also be intervening. These people have a wealth of information from their activities with respect to the Hyde Park dump site, a case in which the minister and his ministry did not get involved in an active way at all.

Given that the Ministry of the Environment is not working with this group, and given that the minister will be making separate presentations, does he not fear that two separate Canadian interventions could cause contradictions which could nullify any benefit a single intervention might be able to gain for Ontario?

Hon. Mr. Norton: Mr. Speaker, the short answer to that question is no. The reason I would say no is, first, the group to which the member for Huron-Bruce refers, as I understand it, will request intervener status not exclusively as an Ontario group but as an affiliate of the Ecumenical Task Force which is primarily an American-based group; therefore, there is

some question as to whether their voice will speak primarily for the Ontario concern or not.

Be that as it may, I am supportive of their role in all of this. I have met with them and I encourage them to continue their efforts. I would not discourage them.

10:40 a.m.

I do believe in my ministry, however, and I have a mandate on behalf of the people of this province to protect their interests in environmental concerns such as this. I would remind the member it was only one short year ago when he and others on the opposition side of this House were damning us for lack of involvement. Now that we are involved the tendency is to start following the party line of certain environmental agencies which would like to see us stay out so they can handle the whole thing; now we are being damned for becoming too involved. I think it is important we keep the mandate—

Ms. Copps: Not what he said.

Mr. Bradley: Not what he said.

Hon. Mr. Norton: Well, all right, but a press release came out this week; if the member has not seen it I will send him a copy of it.

I am not interested in getting into any kind of battle with any of the environmental groups. We have a common area of interest in this and I believe, in spite of what the member says about certain others having greater expertise, that the expertise that is vested in and rests within my ministry is second to none on this issue.

I would also point out that, in setting up the Niagara River task force, we have funded it so it can call upon expertise from the private sector. We have done so with the hydrogeological expertise we have relied on for our report. We are making our information public. It is available to the member. I tabled it in the House the other day. Has he seen any such information from the other groups?

We have different strategies and different approaches, but our goals are the same and we recognize we share a common interest. I will not be deterred in discharging my mandate because certain elements in our society may feel there is a potential for some difference of opinion among hydrogeologists.

I do not happen to believe there is a single right answer. Certain people who are perhaps more motivated by ideology than towards achievement of results may wish to believe they have the only right answer. I do not believe that

exists and I think the more involvement there can be in terms of hydrogeological expertise—

The Acting Speaker: Thank you.

Hon. Mr. Norton: —which can be brought to bear on this question, the better the result is likely to be. You are welcome, Mr. Speaker.

Mr. Elston: Mr. Speaker, thank you for the minister's conveyance of his philosophy of the end justifies the means, no matter how one gets there. I guess that may be something his party believes in.

Is the minister not concerned that if he receives intervenor status, when he gets into these secret negotiations he will be taking part in these secret negotiations based on information obtained from a company, Geological Testing Consultants, which is a sister company of a firm, Geotrans, which was engaged by the Hooker company with respect to its Love Canal work? Both those companies are subsidiaries of an American firm, Intera Environmental Consultants.

Is he not concerned that he may jeopardize the position of the other Canadian group when he gets into these secret negotiations without being able to air in a public way the types of negotiations and the types of agreements he is reaching behind closed doors, and that if he becomes a signatory in these secret negotiations he will throw away some of the possibilities of the legitimate intervention by these Ontario groups?

The Acting Speaker: The minister will give a shorter answer than before.

Hon. Mr. Norton: Mr. Speaker, with great respect some of these questions require rather lengthy answers.

I sometimes really wonder what motivates those people because they place all this emphasis on secret negotiations as if we are seeking to engage in something that is clandestine. That is balderdash. The fact of the matter is—

Interjections.

Hon. Mr. Norton: Just calm down for a moment.

The fact of the matter is, if the member understood the American system in which we must participate if we are going to participate at all, that is an important part of the process.

Mr. Elston: That's all I want you to do, work with them instead of against them. You refused to help them technically with the Hyde Park site.

Hon. Mr. Norton: I am quite willing to work with them. I have never refused to work with them, but I am not going to abdicate my responsibility as a minister of the crown and of Ontario and turn it over to someone else who does not have that mandate.

The simple fact is, coming back to the member's emphasis on secrecy, that is an important part of the process. By participating in that we will have access to a lot of information to which we would not otherwise ever have access.

During the course of that negotiation, if we are able to participate, we may very well be able to play a role in shaping the kind of abatements and containment measures that are determined in any agreement. That does not mean we will necessarily be party to the agreement if it does not meet our requirements, and it does not preclude our participating in the issue at a later date if it goes before the courts.

I think the point that should be learned from Hyde Park is that because of the strategy that was followed there, the participation was withheld—it was a different form of participation, actually, it was as an *amicus curiae*; but they moved in at the court stage with very little success because there had not been the involvement at that earlier stage. In order to change any agreement that is reached at the court stage in the American system you almost need a neutron bomb to do it. Therefore, I think our strategy is by far the wiser of the alternatives available to us.

Mr. Charlton: Mr. Speaker, can the minister tell us what legal advice he has received about the possible results or ramifications down the road for further legal actions should he sign the agreement that is reached through these negotiations? Presumably the minister will not sign unless it is satisfactory or appears to be satisfactory at that point. What legal ramifications are there for future legal actions over the S area if the minister becomes a signatory to that agreement?

Hon. Mr. Norton: Mr. Speaker, that is really very hypothetical at this stage. First of all we have not been granted intervenor status at this point. If we are granted intervenor status, I have no way of knowing what the direction of those negotiations might be and whether that might or might not lead to our being a signatory to any agreement.

Obviously, we will be very cautious in our approach to any commitment that might be made at that point in signing any agreement. But I want to emphasize that if we do enter into such

negotiations, we will do it in good faith. I think that is fundamentally important to the process. The appropriate time to examine the question of any possible impact on future proceedings in the courts or otherwise relating to the S area would be once we know what the course of the negotiations is. It would be entirely speculative at this point.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Samis: Mr. Speaker, I have a question for the Minister of Transportation and Communications on the impact of the five per cent solution on the motorists and transit users of this province. Can the minister tell the House how the five per cent solution will affect the hundreds of thousands of motorists who drive four-cylinder cars and are facing a 60 per cent increase in their plate fees next year, and the hundreds of thousands of motorists in northern Ontario who are facing a 140 per cent increase in their plate fees next year?

Hon. Mr. Snow: Mr. Speaker, those plate fees were established by the budget last May and they will remain as established by the budget.

Mr. Samis: So in effect, the minister is telling us that five per cent does not apply to them.

Could the minister also explain to the transit users of Ontario, especially those beyond Metro Toronto, whether by applying the five per cent solution to the GO Transit system but not to other transit systems he is not in effect creating a two-tier system whereby transit users in this province who do not have access to GO Transit will be totally unprotected—if there is any protection at all—by the five per cent guidelines, whereas those in the greater Metro area will have the benefit of that five per cent guideline? In effect, is the minister not creating a two-tier system for transit users in Ontario?

Hon. Mr. Norton: You get two tiers from the fact that you have two-tier trains.

Hon. Mr. Snow: My colleague the Minister of the Environment reminds me that we do have two-tier trains on GO Transit, so naturally we have a two-tier system. No, I do not believe we are creating a two-tier system at all.

Mr. Boudria: Mr. Speaker, in relation to the question asked by the member for Cornwall (Mr. Samis), could the minister tell us if he consulted with the "Preserve it, conserve it" Minister of Energy (Mr. Welch) before increasing the price of licence plates on smaller cars and reducing the price of licence plates on

bigger cars, thereby increasing the consumption of energy?

Hon. Mr. Snow: Mr. Speaker, I have to remind the honourable member that this was not my decision; it was a budgetary matter that falls under the rightful jurisdiction of my very capable colleague the Treasurer (Mr. F. S. Miller). Whether he consulted with "Preserve it, conserve it," I do not know.

10:50 a.m.

WINDSOR PACKING

Mr. Watson: Mr. Speaker, I have a question for the Minister of Agriculture and Food, if he does not go away. I wonder if the minister would bring the Legislature up to date on the situation at Windsor Packing, as to whether the people who shipped cattle are going to collect under the new program because it is kind of a test case. Can he generally tell us how many cattle have been shipped or are likely to be covered under that case?

Hon. Mr. Timbrell: Mr. Speaker, maybe it would help if I gave a general rundown of the situation.

Ms. Copps: Make a statement.

Hon. F. S. Miller: You already tried once this week to give a general rundown.

Hon. Mr. Timbrell: I tried to give a rundown earlier in the week and it did not work.

Mr. Bradley: Now you are trying to run down the clock.

Hon. Mr. Timbrell: But now the member knows I am serious.

Mr. Peterson: Mr. Grossman is serious. He is going to use a bulldozer on you.

Hon. Mr. Timbrell: No, he is going to have something done on you without benefit of anaesthetic.

The Acting Speaker: The minister will answer the question.

Hon. Mr. Timbrell: Mr. Speaker, the company in question was issued a licence on August 31 for the program which took effect on September 1. It was a licence conditional on them supplying the minister with a substantial bank letter of credit, which they agreed in writing to produce. On September 21, the company went into voluntary receivership. Of course, I am sure we were notified that night or the first thing the next morning, soon after they did that.

We put investigators into the field, and at this point we have knowledge of five complaints of nonpayment for cattle shipped to this firm. Our

investigators still in the field are gathering further information on the extent of the non-payment problem, because obviously we want to be sure we have full knowledge of anybody who could have been affected.

I should tell the member there is a possible problem which will have to be resolved by the board which administers the fund in that apparently some producers, notwithstanding the prompt payment provisions of the plan, were offered and accepted in early September cheques post-dated to the end of September for cattle shipped at that time. That may be a problem and I think members should be aware of it. It will have to be resolved by the board.

Also, I should add that since commencing our investigation last week it appeared to us that there may be—and I have to underline may be—some financial irregularities in connection with this receivership. To err on the side of caution, I directed the ministry staff to ask the Ontario Provincial Police to investigate.

Mr. Watson: There is concern in our area about the possibility of that plant reopening or operating again. I understand equipment is reasonably good from that standpoint. Is there any possibility that it will operate? Does the minister know? Perhaps I will phrase it this way: will the minister do everything in his power to see that a packing plant in southwestern Ontario will be reopened, if possible?

Hon. Mr. Timbrell: As a matter of fact Mr. Farrell, who is the chairman of the Ontario Pork Producers' Marketing Board, telexed a message to me in the last 48 hours expressing that same concern. I am sure that is reflected by constituents of the member and other members in that area.

I would emphasize to the member that at this point the plant is in receivership. It has not, at this point at least, filed bankruptcy. Certainly, we will be concerned to do everything we can that is reasonable to ensure that the balance of the market is maintained for beef and hog producers.

Mr. Riddell: Mr. Speaker, when these dealers and processors apply for a licence, it is my understanding they have to submit a financial statement or letters of credit. If that is the case, how did Windsor Packing get a licence to operate under the new program, if it is on such shaky ground?

Hon. Mr. Timbrell: Mr. Speaker, as I have already indicated, the company in question was issued a licence conditional on providing a bank

letter of credit, which it agreed in writing to provide at the start of the program. We discussed that, I believe, when the member came to see me about this in my constituency back in August when we went to a very palatial restaurant for a cup of coffee.

The member was concerned, as were the Ontario Cattlemen's Association and others, that at the start of the program we maintain a viable market, which meant that in certain cases judgement required that we have some conditional licences. Now, obviously, we have been following up on the handful of conditional licences that exist. During the month of September, we have been following up on all of them to get those letters of credit in place. I think we are down to six or seven about which we are going to have to hold hearings as to whether the licences should be denied.

The Acting Speaker: New question.

Mr. Cooke: On a point of order, Mr. Speaker: Yesterday, if you remember, there was a question started on the government side. The two questions went by. The Liberals got a supplementary and the Speaker allowed this party to have a supplementary as well. So I would like to ask a supplementary on this question.

The Acting Speaker: Oh, very good. I will allow the member his supplementary and then come back to the member for St. Catharines (Mr. Bradley).

Mr. Cooke: Mr. Speaker, I would like to ask the Minister of Agriculture and Food if he is aware that within a couple of weeks before Windsor Packing went into receivership, it paid off its debts owing to a company called Paco Meat Purveyors, which is owned by Ann Cohen and Betty Pazner, the wives of the two owners of Windsor Packing; C&V Freezers, which is owned by Sid Cohen and Betty Verk, one an owner of Windsor Packing and the other one a sister; Windsor Casing, owned by Renè Pazner, a daughter of an owner of Windsor Packing; Northern Sun Trading owned by Pazner's sister; and Deli Pro here in Toronto owned by the sister of one of the owners?

I would like to ask the minister, combined with the fact that he licensed them under his new program, which is supposed to signal the financial stability of these companies—and there seemed to be no prior warning that this company was going to go into receivership—is this information not grounds on which this company should be forced to open up its books and justify the closure of this plant, causing the loss of 150

jobs, and its effects on other companies? Two other companies have gone into receivership, I believe in Toronto, as a result of this problem. Does that not warrant a full investigation of what prompted this receivership with Windsor Packing?

Hon. Mr. Timbrell: Mr. Speaker, perhaps the member did not hear part of my original answer to the member for Chatham-Kent (Mr. Watson). It was to the effect that when we began our investigation the staff reported to me some concerns. I will not go into what those concerns were here, because as a result of the concerns expressed about the background to this receivership I directed my staff to ask the OPP to investigate, and that is under way.

GOVERNMENT ADVERTISING

Mr. Bradley: Mr. Speaker, I have a question of the Treasurer (Mr. F. S. Miller) on how to save some money as part of his restraint program. The Treasurer will recall that in April and June of this year I asked him questions about the money that had been squandered on advertising. One of the departments in his own ministry indicated that last year he spent over \$40 million in advertising, much of it political and not including Ontario Hydro or the lotteries.

In view of the fact that the Treasurer has introduced a restraint package into this House, is he prepared, today, to give an undertaking to the House that he will drastically cut his advertising budget by perhaps as much as two thirds, and thus indicate to the people of Ontario that the government is seriously prepared to show significant restraint, the same kind of restraint it is asking of the public service?

Hon. F. S. Miller: My colleague the Chairman of Management Board (Mr. McCague) and I, through our deputy ministers and staff, have been looking very carefully at all government spending, including spending on advertising. So far, efforts have been reasonably successful. Certainly, I would tell the member that we are looking at every possible way to save money, including on advertising. Whether it will come to one third, two thirds or 80 per cent, only time will tell. I suggest that as incomes drop, and as costs for certain programs such as welfare go up, we have the obligation to try to keep the total spending balanced and that will mean cuts.

11 a.m.

Mr. Bradley: Mr. Speaker, is the Treasurer also prepared to give an undertaking to this House he is going to cut back significantly at

least in the amount of money the various departments of his government spend on polling in the province —from the Gallup poll or whatever company they get to do this polling research? Are they prepared to cut back drastically in that? It is another fringe item of spending, if one asked the people of this province.

Hon. F. S. Miller: The member may have an advantage on me. I have not seen the Toronto Star today, but I suspect they have a poll coming out very shortly, from what I hear, and it is not going to cost the member or me a cent.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Mackenzie: Mr. Speaker, a question once again of the Minister of Labour and I want the minister to know it is a serious question. Given the abrogation of contracts negotiated in good faith in the public sector and given the sweeping and dictatorial powers turned over to Mr. Biddell under Bill 179, can the Minister of Labour inform this House what authority remains in his hands with respect to public servants and their contracts?

Will he tell the members of this House how this bill squares with the principle as enunciated in the preamble of the Labour Relations Act? It says, "Whereas it is in the public interest of the province of Ontario to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employees and the trade unions as the freely designated representatives of employees. . ."

Hon. Mr. Ramsay: Mr. Speaker, I want to assure the honourable member I accept that question as being a very serious one. I think, however, it should be directed to the Chairman of the Management Board of Cabinet (Mr. McCague) since negotiating with the public employees is done through the Civil Service commission with him.

The Acting Speaker: I think the member for Hamilton East may need to repeat the question for the Management Board chairman.

Mr. Mackenzie: I will say to that minister also it is a serious question. Given the abrogation of contracts negotiated in good faith in the public sector and given the sweeping and dictatorial powers turned over to Mr. Biddell under Bill 179, can the minister inform the House what authority remains in his hands with respect to public servants and their contracts?

Will he tell the House how this legislation

squares with what I certainly thought was one of the laws of Ontario, that is the Labour Relations Act, and the principle enunciated in the preamble? That is, "Whereas it is in the public interest of the province of Ontario to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employers and trade unions as the freely designated representatives of the employees. . ."

Hon. Mr. McCague: Mr. Speaker, there is obviously a different philosophy about this bill between the party opposite and the government who felt a need to do something to assist in these difficult economic times. The honourable member knows that within the limits set in that bill there is the opportunity to negotiate the monetary items within the ceiling and we expect to be doing that with the union in the months ahead.

Mr. Mackenzie: Just the other day the Treasurer accused our deputy leader of exaggerating the restrictions on the right to collective bargaining on nonmonetary items. Will the minister clearly outline the provisions in the bill, and these were referred to by the Premier (Mr. Davis), that allow the workers to bargain on nonmonetary items—that is work load, health and safety or grievance procedure?

And with the extension of the contracts and the setting of the wage ceilings the government has set on them, what requires an employer to even so much as answer a letter from the union requesting a meeting on nonmonetary items? Will the minister outline the provisions in the bill that give us any rights whatsoever to negotiate on nonmonetary items?

Hon. Mr. McCague: Maybe the honourable member did not hear me, but I did not say anything about bargaining nonmonetary items. I mentioned the monetary items up to five per cent.

The Acting Speaker: The time for oral questions has expired.

ADMISSION TO GALLERIES

Mr. Cooke: Mr. Speaker, it has been brought to my attention that there were, I believe, four members of the Ontario Public Service Employees Union in the galleries today who had tee-shirts on. They were allowed into the galleries and they were not causing any problems. One of them happened to leave in order to use the washroom and then was not allowed back in because apparently there had been a ruling that anyone who had a tee-shirt on would not be

allowed back into the public galleries. I then offered to have the individual come into the members' gallery to view the rest of question period and was told by the Sergeant at Arms this was not possible and that these people were not allowed in the members' galleries, either.

Mr. Speaker, I think we are getting to the point of ridiculousness as to who can get into the public galleries and who cannot.

The Acting Speaker: After yesterday's incident I think the House has a special responsibility to the members within the House, and if people are going to be in the galleries we certainly want tee-shirts at a minimum. But if they are declaring some kind of message, the Sergeant at Arms has been instructed to at least maintain—

Interjection.

The Acting Speaker: I have the floor. The Sergeant at Arms has been instructed to maintain a sense of control over who is going in. In the first place this morning it was hoped that people would not be allowed in the galleries who were carrying messages on their tee-shirts, so the Sergeant at Arms is at least following the guidelines for the safety and wellbeing of this House.

Mr. Cooke: Mr. Speaker. I would first of all like to know who set the guidelines. Second, I would like to know what difference it would make when the Sergeant at Arms and the security staff indicated to this individual that she could return if she took off her tee-shirt—which, by the way, was covered by a jacket; it was impossible for this individual to remove her tee-shirt. I would like to know who set these guidelines and how anyone could dream up such ridiculous guidelines when these people were causing no problem whatsoever in the galleries and were allowed in the galleries in the first place.

The Acting Speaker: Thank you. I have responded to the point of privilege and—

Mr. Foulds: No.

The Acting Speaker: On a point of privilege, the member for Port Arthur.

Mr. Foulds: On a point of privilege, Mr. Speaker: Can you tell me how my safety is threatened by someone in the gallery wearing a tee-shirt with the letters that spell "OPSEU" on it? What demonstration takes place when someone wears such a tee-shirt?

The Acting Speaker: I feel the Speaker will be following this up, but the honourable members

must realize that as I am in the chair today I share the concern of the whole House for our wellbeing and our safety. After yesterday's experience I think we want to be extremely careful that there be no continuation of such demonstrations. The fact is that those yesterday were wearing certain kinds of tee-shirts trying to carry a message. I am very concerned about our wellbeing here. This is the House of the Ontario Legislature; we will continue on with the order of business.

Mr. R. F. Johnston: Mr. Speaker, surely the message on the sweater is "I belong to a free trade union." That is the only message when you have "OPSEU" on it. It is not carrying any demonstration, any statement of political purpose or otherwise. It is ludicrous. It is the same damned reaction we had when people wore "I support MOM" a couple of years ago, and they were not allowed in this House, either. This is ludicrous.

The Acting Speaker: Thank you very much.

Ms. Copps: On a point of order, Mr. Speaker: I wonder if you would exercise the same judicial power if someone came into this gallery wearing a tee-shirt with "Preserve it, conserve it."

The Acting Speaker: We are now ready for the next item on the orders of the day.

Mr. Foulds: On a point of order, Mr. Speaker: I would like you to refer to the standing order that gives the Speaker the authority that he has and you have assumed. As I read standing order 7, it says: "All strangers may be excluded from the House or any committee thereof on a motion properly moved and adopted by the House or the committee, as the case may be."

The Acting Speaker: The chair—

Mr. Foulds: Just a minute, Mr. Speaker. May I finish?

I do not recall any motion being made by this House at any time excluding people from the gallery wearing tee-shirts with the letters "OPSEU" on them.

The Acting Speaker: The chair has a certain prerogative in looking after the wellbeing of the House. I will not debate this further. The chair has ruled, and I will now go to the next item of business.

11:10 a.m.

Mr. Cassidy: Mr. Speaker, I would like to just comment on the point of order.

The Acting Speaker: Is this the same point of order?

Mr. Cassidy: How long is this kind of McCarthyite witchhunt going to continue, Mr. Speaker? You have now determined that anyone carrying evidence that he or she belongs to a particular organization is going to be excluded from the chamber while we are debating this bill.

The Acting Speaker: The honourable member will resume his seat. We have dealt with this issue. We will deal with the next item of business.

Mr. Cassidy: Mr. Speaker, I believe my prerogatives as a member are affected.

The Acting Speaker: Order, please.

Mr. Cassidy: Is it the intention of the chair to instruct the security staff to begin asking people, as they seek entry to the gallery, whether or not they belong to a particular organization? Apparently such organization is now proscribed—

The Acting Speaker: The honourable member really has not understood the position the chair has taken for our wellbeing in this House. Having dealt with this issue, I would like now to go to the next item on the order of business.

Mr. McClellan: On a point of order, Mr. Speaker: I do this regretfully, but we cannot accept the precedent that you arbitrarily decide who will be ejected from the public galleries by virtue of the fact that they are wearing an insignia designating their free trade union. I must challenge your ruling.

11:50 a.m.

The Acting Speaker: Inasmuch as we were just finishing question period, I have allowed the television camera to stay on because we have not started the next order of business, unless there is any objection.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Baetz, Barlow, Birch, Brandt, Cureatz, Davis, Dean, Drea, Elgie, Fish, Gillies, Gregory, Henderson, Hodgson, Kells, Kolin, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell;

Norton, Ramsay, Robinson, Rotenberg, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Stevenson, K. R., Timbrell, Villeneuve, Watson, Wells, Williams, Wiseman.

Nays

Allen, Boudria, Bradley, Breaugh, Bryden, Cassidy, Charlton, Cooke, Copps, Di Santo, Edighoffer, Elston, Foulds, Grande, Johnston,

R. F., Lupusella, Mackenzie, McClellan, McGuigan, Miller, G. I., Newman, Peterson, Philip, Riddell, Ruprecht, Ruston, Samis, Swart, Wildman, Wrye.

Ayes, 43; nays, 30.

The Acting Speaker: May I make one comment to the House? The Speaker will be making a statement on the whole issue of galleries and demonstrations next week. He plans to make that statement early in the week, and it will, I hope, attend to some of the questions that are being raised.

Hon. Mr. Wells: Mr. Speaker, I thought I might indicate—and I assumed that all members would be aware of this because all parties were involved—that the House leaders of the other parties and I did meet with the Speaker for a half hour yesterday afternoon to discuss the events that occurred yesterday afternoon—the safety of the House, demonstrations in the gallery, precedents that had occurred and so forth. The Speaker indicated to us yesterday afternoon he was going to make a full statement in the House, with precedents, about matters we had been debating and voting on. He indicated it again when the member for Riverdale (Mr. Renwick) stood up last night and asked, but he could not do so today because he was going to be away.

The House should be aware that all parties have been concerned about what has been going on. We are concerned about the integrity of this House, the safety of the members and the ability of this House to be able to carry on its discussions. The Speaker, of course, is charged with these responsibilities, and he is going to give a complete report, as he indicated to the three House leaders, some time next week.

The Acting Speaker: Thank you. Shall we proceed to the next order of business?

Mr. Bradley: Mr. Speaker, I was one of the people who attended that meeting along with the government House leader and the House leader for the New Democratic Party. What seems to be emerging is that one of the precedents to be looked at in terms of the tee-shirts was the precedent of the member for Lake Nipigon (Mr. Stokes) who, when he was Speaker, made a ruling related to people wearing tee-shirts in the gallery.

I think all parties would agree what we are interested in is maintaining order in this House. We cannot entertain demonstrations in the public gallery of the kind we have seen in the past few days. Our vote against the ruling today

is not a vote against a person, but a vote on a principle. The principle is we feel it is permissible for people to wear tee-shirts as long as those tee-shirts do not carry a political message.

It was in that light we voted against the ruling because we feel that wearing the name of a union on a tee-shirt is not a political message. The ruling made the previous day involved a political message on a tee-shirt. That is the difference between the two circumstances.

Ultimately we may be in a situation where the entire matter must be referred to the standing committee on procedural affairs for its consideration. It may have to decide how we will conduct the business of the House in light of there being people in the galleries who feel very strongly and sometimes emotionally about issues that have come before the House.

Mr. McClellan: Mr. Speaker, I was not part of the discussions that took place yesterday although it was my clear understanding that the Speaker intended to make a statement today.

Mr. R. F. Johnston: No.

Mr. Boudria: Were you not here last night?

Mr. McClellan: Yes, I was here at 10:30 p.m. and I heard what he said, but it was my understanding from the meeting there would be a statement today.

At any rate, I think there has been a series of very serious misunderstandings with respect to some of the precedents of this House. For my part and that of my colleagues, there is nothing in the precedents of this House which empowers anybody to throw a citizen out of the public gallery because he is wearing the insignia of a trade union.

I would like to pick up on the suggestion made by my colleague the member for St. Catharines (Mr. Bradley). He suggested the matter be referred to the procedural affairs committee or, alternatively, that it be referred to a joint discussion of the three House leaders and their assistants, and the Speaker and his assistants, before a final report is made back to this House.

I fear that unless these misunderstandings are cleared up very quickly, the business of the House is not going to go anywhere.

The Acting Speaker: I thank all honourable members for the comments that have been made and I can assure them the Speaker will take this fully under advisement. We are most interested in seeing the House proceed with its work.

Hon. Mr. Wells: Mr. Speaker, let me just add to what I said earlier because I think it should be quite clearly understood that we are not against certain types of clothing being worn in the gallery. As my friend in the Liberal Party pointed out, one of the precedents we looked at yesterday was that of the member for Lake Nipigon who, when he was Speaker, did eject people who were wearing tee-shirts.

There may have been some political message on some that are worn and there may not be on others. Certainly this is a line that has come to the fore and is being drawn. We are not opposed to anyone wearing a tee-shirt in the gallery as long as it is not a definite political message or some attempt to stage a demonstration in this House.

In view of the discussions we had yesterday, the searching of the precedents and so forth, we felt that until the Speaker makes his statement based on the precedents we should uphold the ruling of the Speaker at this time. When we have the full statement we can then consider whether sending it to the procedural affairs committee for a full discussion by members of this House is the right thing to do. If so, we would support that. But let us hear what the Speaker is going to say in his statement next week.

12 noon

SACRE COEUR SCHOOL RENOVATIONS

Mr. Boudria: Mr. Speaker, I rise on a point of privilege to correct the record concerning a statement the Minister of Education (Miss Stephenson) made yesterday in this House in reply to a question I asked her.

Mr. Epp: I think you got Bette's attention.

Mr. Boudria: I think I got her attention, Mr. Speaker.

The minister said: "The ministry has in fact been informing the board that there was a problem for more than 10 years. It is time that board took action."

I contacted that separate school board this morning and they informed me that they were the ones who had been contacting the ministry all these years without getting any proper attention from them. The minister said the following in reply—

The Acting Speaker: Could I suggest that this was something for question period rather than at this point?

Mr. Boudria: Mr. Speaker, with all due respect, this is not a matter for question period. I think the minister owes an apology to the Prescott and

Russell Roman Catholic Separate School Board for some of the statements she made in this House yesterday.

The Acting Speaker: May I suggest to the honourable member that he can correct his words in the record but he is not in a position to correct someone else's words in the record.

Mr. Boudria: I would again invite the minister to correct the mistakes she obviously made yesterday.

Hon. Miss Stephenson: Mr. Speaker, may I just rise on that point? It is my factual knowledge that indeed the first report about this school was made to the board in 1959 by the fire marshal in the area. There have been frequent visits and discussions from the regional office by the representatives of the Ministry of Education pointing out that there were simple procedures that could be carried out to correct the problem.

Unfortunately, this has not been done and I stand by the statement that this has happened on many occasions over the past 10 years. It is unfortunate that it has not as yet been accomplished. The ministry has stood ready to be of whatever assistance it could be to the board in doing that, even to the point of sending the chief architect of the ministry up to give them advice about it.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Samis: Mr. Speaker, as I was saying about 15 hours ago, and I am sure the members will have forgotten, I want to say briefly that last night I was making the argument that the inflation rate is down. It has been going down steadily this year. The projections are it is going to continue to go down.

On the front page of the *Globe and Mail* I notice the report from the Economic Council of Canada says, "At best, the government's wage restraint program will lower inflation only marginally." They are talking about the federal program, not the provincial program. If there is any basic message in their thrust it is, "Ease off on the restraints because the economy is in such terrible shape."

I said yesterday that the economy and the

actual recessionary pressures are the best and most effective anti-inflationary forces in society today. I take the example of the recently concluded negotiations between General Motors and the United Auto Workers, as well as Ford and the auto workers. They did not need any six and five package to restrain them or to tell them that times were tough and they had to be realistic on both sides. They did not need any five per cent ceiling.

Both the union and the corporation acted out of their own self-interest in this matter, and I would point out they settled in both cases without a strike. I would presume the same will happen to Chrysler, although those negotiations may be a little more difficult.

I am saying that the public sector, like the private sector, is not unaware of what is going on in the real world in the trends in terms of the economy and the recession. In short, the government has failed to prove its case and to make an adequate case that these controls are needed in Ontario at this time.

I emphasize that when inflation was 13 per cent they were not even talking controls whatsoever. Why are we facing them today, some 14 months after inflation hit the 13 per cent figure? Why did they dither all summer if they thought they were all so important?

The only conclusion one can reach is that these controls are not motivated by the inflation rate, because it is going down. They are motivated by the Gallup poll which, as I said last night, shows in all realistic terms controls are popular for a variety of reasons. We know the motivation for these controls is political and not economic.

There was an interesting article in the *Globe and Mail* several days ago on the comments of several economists, including Lorie Tarshis, who said that public sector wage controls would not work and would be counter-productive. There were also quotes in that article from Morley Gunderson and Frank Reid of the University of Toronto Centre for Industrial Relations. The article says, "Both said there is little evidence to support a widespread belief that public sector wage settlements have been an important factor in the recent inflation.

"Professor Gunderson said his own studies have shown that public sector employees have had only a slight wage advantage over private sector employees and that exists mainly among lower-paid and female workers. He said, 'I don't think a school of thought exists anywhere that public sector controls are the answer.'" The

professor goes on to say "he suspects the federal and provincial programs were politically motivated and timed to make them look successful. Whether or not public sector controls were needed, 'It looked good,' he said." I wholeheartedly concur with that.

It is interesting to note that no attempt was made at any sort of price and income policy or voluntary restraints. I know that is not the perfect answer and does not work in all cases, but I would point out that such an approach has been tried and used with varying results in England, Germany, France and other countries.

But no attempt was made here to try the voluntary tripartite approach. I know there are all sorts of problems in that approach, but at least it is an alternative. I suspect it was not explored because the polls show it is not popular. People do not think it can work, they do not really understand it, whereas six and five or a magic figure of five per cent is simple, understandable, direct and easy to sell.

I also make the point that we can have restraint in a society without mandatory controls and legislation. People are not stupid, they are not unaware of the difficult financial situation facing us. I think that applies to both the public and private sectors. If there ever was a showdown, we know civil servants do not have the right to strike in the first place. If any group made unreasonable, unrealistic, pie-in-the-sky wage demands, public opinion would be firmly behind the government.

I can think of an example on the other side of the Ottawa River when the transit and maintenance workers of the Montreal transportation commission, Commission de transports de la communauté urbaine de Montréal, challenged the government. Public opinion was overwhelmingly behind the government. When it put the legislative screws to that group, the government had massive public support because the wage demands were out of sight.

Most members of unions have become surprisingly resigned to the idea of lower expectations, lower increases and lower settlements. Most people are rather insecure right now and worried about their jobs. Even the psychological climate in society today is not conducive to any form of major confrontation. It is just not there. Even the civil servants in Ottawa in their protest rallies and demonstrations are amazingly tame, subdued and lacking in fire and brimstone for a group that is affected directly.

Another reason I am against this bill is that I dispute the argument that inflation is the great-

est problem facing our economy. I do not deny we have an inflation problem and that wage settlements can be a factor in the inflation rate, but in the current circumstances I would argue there are more important forces and factors behind our inflation situation.

The first and most obvious one is high interest rates. They have a devastating effect on small business and on the economy in general. Everybody knows high interest rates are inflationary. They drive up the cost of all sorts of things.

Second, we never talk about the energy agreement between the federal government and Alberta and Saskatchewan. That is built-in inflation in Canada. We know prices will go up every year at least twice at the wellhead level. That excludes the profit level and the dealer level. We have built-in inflation in terms of the energy component of our society.

Third, there is the question of imported goods over which we have absolutely no control whatsoever. Trudeau always likes to argue that Canada is at the mercy of the world economy and that with Reaganomics somehow we have no choice. We just have to import the Reaganomic solution and adopt its monetary policy. If any of that is true, then this bill is totally irrelevant to that cause of inflation and will do absolutely nothing.

There has been a lot of publicity in the news lately about Dome Petroleum and the whole Dome empire collapsing. I suggest that in the last two to three years, the tremendous amount of corporate borrowing that has been going on for the sake of takeovers, mergers, etc., has had an inflationary effect on our economy. Once again, this bill will have absolutely no effect on that whatsoever.

12:10 p.m.

I point out there are four factors right there that cause inflation in Canada and this bill has absolutely no relevance and no impact on them whatsoever.

As I said, I recognize inflation is a legitimate problem. I simply do not accept it is our number one economic problem. I do not accept the notion that if we somehow lick inflation everything else will sort itself out. Prime Minister Trudeau is always arguing that economic recovery is somehow just around the corner if we can get our inflation rate down. Seemingly this government has bought that argument.

Our problems go well beyond that and it is absolute folly to reduce it to that level because it leaves out all sorts of other crucial factors that

underline the serious economic situation we face.

I believe it was last Friday that Don McGillivray, the financial columnist of the Montreal Gazette, had an excellent article on the state of the economy and I would like to quote parts of it because I think it is right on the mark. He is talking about this obsession with inflation as if inflation is the number one problem facing our economy.

He says: "The whole world is in recession, according to this line, but Canada is weathering it better than most countries.

"That is simply wrong.

"We are doing worse, not better, than other countries."

He talks about some figures Statistics Canada brought out last Wednesday: "The recession in Canada, which has reduced production by slightly over six per cent since its onset in mid-1981, has been the steepest among the major industrial nations."

"The complacency of our economic leaders on these matters is dangerous because Canada's industrial base is disintegrating while they attempt to fight a one-front war against inflation.

"And this deterioration will continue to threaten our future whether the inflation rate is brought down to six per cent or zero per cent.

"Euromoney is a distinguished economic monthly published in London. Each year, it rates the performance of countries according to economic measures. The latest such rating was published in the September issue. . . And where does Canada stand? First? Seventh? Tenth?

"We are nowhere near as high as that.

"Canada ranked 35th last year, on the basis of overall economic performance between 1974 and 1981.

"This year we fell to 40th place.

"That was on the basis of economic performance between 1974 and 1982 including our steeper recession this year.

"Such countries as West Germany, Japan and the United States are, of course, far above Canada on the list. But so are such countries as India, Malawi, Indonesia and the Philippines.

"Canada's neighbours in our part of the list, the countries immediately above us in economic performance, are Mexico, Belgium and Syria.

"The reason for our lowly status is interesting.

"It is not inflation, the factor that dragged Mexico down to our part of the list.

"Mexico's inflation performance has been worse than 64 other countries.

"But only 23 other countries have done better than Canada in fighting inflation. . . Canada's great weakness has been its poor economic growth.

"We rank 57th in economic growth in the past eight years.

"And we are slipping daily even from this dismal position as the deliberately induced slump eats out Canada's economic vitals.

"So we have the anomaly that this country's economic leadership concentrates completely on an area where we haven't done so badly and complacently allows that fight against inflation to undercut our already poor economic growth prospects.

"This slump will end. All slumps do. But world recovery will not restore Canada to the position we occupied in the late 1960s when only the United States had a higher per capita output.

"The way we are going, we'll all come out of this as a fringe nation, a permanently depressed country eking out an existence as the dependent northern extension of a struggling American economy. While our economic leadership assures us that all will be well if only we can push the wage rates down and beat inflation, profound structural changes have caught up with this 'lucky country.'

"And chanting 'six and five—six and five'—or in Ontario, "five is the answer, five is the answer"—"isn't going to drive those changes away."

I would hardly call Don McGillivray a raving Socialist, a left-winger or even sympathetic to the NDP, but I think he is right on the mark in his assessment of the situation. There was a Statistics Canada report recently which says our economy trails that of all big nations. There was a good article by David Crane, who is the economic editor of the *Toronto Star*. The headline was, "Productivity is the Problem." I will quote just a few paragraphs.

It says: "The six and five anti-inflation program of the Trudeau government, along with the various provincial counterparts"—and imitations—"should help accelerate a decline in inflation that was already under way, but our political and business leaders will be making a big mistake if they assume that a successful fight against inflation is the answer to all our economic problems.

"The restraint program is not a real cure; it is more like an aspirin which provides relief. The underlying problem in Canada's economy is our poor productivity performance. We don't use

our resources—people and their skills, machinery and money, research and innovation—effectively enough.

"We have poor labour-management relations and too many strikes. We have government rules that discourage competition. We neglect research and innovation. We do a bad job of developing skilled people. The quality of management in business and government is inadequate."

Then he goes on to quote Jim Brown from Woods Gordon, who says, "We are all experiencing the growing spectre of unemployment, but no one is identifying the real cause: competitive weakness in the marketplace." Brown stresses: "We see a stagnation in growth over several years and a downward trend in productivity in this province, Ontario, the heart of industrial Canada. Yet no provincial minister in a position to attack the central problem appears to be interested in providing vocal and visible leadership."

Then he goes on to talk about our growth record in the Organization for Economic Co-operation and Development as one of the worst. He talks about how Canadian manufacturing had the poorest productivity performance of all, "with the absolute value of output per employee in 1980 some 23 per cent below the OECD average." There again another person identifies the problem. It is not inflation but productivity and the structural situation we are in.

Now let us deal with the five per cent solution being offered us in this Legislature today. With respect to the various inflation factors I mentioned earlier—namely, interest rates, energy prices, corporate borrowing, the cost of imported goods—let us make it clear that this program, like the six and five program, will have no effect at all, no impact whatsoever.

It is extremely important to bear in mind when you have a program of this sort that to have any credibility whatsoever you have to have some concept of equity built into it. I quote from Aubrey Jones, who is the chairman of the British Prices and Incomes Board, and this is in the business section of the September 25 edition of the *Globe and Mail*: "Equity lies at the root of the incomes problem. Without commanding a sense of equity no incomes policy can survive. This is the dilemma of an incomes policy and potentially its Achilles' heel."

Peter Cook goes on in the article to talk about various things. He says: "The 1969-70 exercise did nothing at all to arrest inflation. And

although controls in 1975-78 had a clear impact on wages, they did not halt the upward march of consumer prices."

He goes on: "First, it is doubtful whether a program that aims only at public sector wages and at some regulated prices can work well. While restraint may make some headway in the current tough economic environment, there have to be doubts about whether it can break an ingrained inflation problem.

"Second, the question of equity and fairness has to show up in relief on the prices front. Opposition is bound to grow if prices do not come down to the level at which wages are being restrained, and that implies a substantial decline in retail prices that is going to be very difficult to achieve. By taking dramatic action they have created the expectation that the results will be equally dramatic."

He goes on to explain that our expectations are obviously far too high in that respect.

Strict controls are being imposed on the 500,000 public and parapublic employees in this province, but what about the price controls? The five per cent figure is only a guideline, a statement of principle; it is not mandatory. We all know that utilities and government ministries can pass their costs through, and, as I found out this morning with respect to transportation, they can totally ignore it.

We have the case of hundreds of thousands, if not more than a million, owners of four-cylinder cars who will see their licence plate fees go up by 60 per cent next year. This is the government that is saying, "We are imposing a five per cent price guideline," yet they violate it themselves. The people in northern Ontario face a 140 per cent increase next year, but this is all in the context of the five per cent guideline, of course. We all know about the Ontario health insurance plan increase as well.

Then you go to the private sector: Consumers' Gas. My deputy leader has referred to the example last week in the business section of the *Globe and Mail*, where Lord Darc got all sorts of publicity for referring to the fact that they would restrain themselves to four per cent; then the fine print told us the ultimate price increase to the consumer would be somewhere between 13 per cent and 19 per cent.

We had the case of OHIP: a 17 per cent increase. When we take the OHIP situation and the cost of licence plates, this is the government itself violating and making a mockery of its own five per cent guideline. How can they expect to have any credibility out there if they do not even

follow it themselves? The reality is that we do not have price controls at all, and the way the act is written they will never happen.

12:20 p.m.

There was an illustrative experience in Ottawa. Statscan came out with a study that was quoted in the *Financial Post* comparing goods and services that were under federal regulation with those that were not: "The study shows regulated prices increased 17.7 per cent from April 1, 1981, to April 1, 1982, while unregulated prices rose 9.1 per cent. In the same period, the consumer price index rose 11.3 per cent."

As the author of the article says, "It is likely that another study will soon appear from the Department of Finance raising questions about Statcan's conclusions, if any articles ever come out again on the whole thing."

There we have a case of regulated prices rising at a higher level than unregulated prices. For example, Via Rail announced it would restrict its price increases to six per cent, but if we look at what it has announced already this year, added on to the six per cent it has announced for the remainder of the year, there is a 28 per cent increase in prices. This, in the year of six and five? What a farce.

I would like to compare very briefly the Ontario wage control package with that of other provinces. Manitoba does not have any formal controls. It was able to reach an agreement with its public service for an average 10 per cent increase graduated to raise pay for those at the lower scale and to give less to those at the upper scale. At the same time, to protect consumers, it introduced a freeze on hydro rates, transit fees, tuition fees, and it provided a fairly generous program of mortgage interest subsidies to home owners.

In Saskatchewan, the PC government has completely rejected the six and five approach. It said it would grant increases to its public service at one per cent below the inflation rate, which means civil servants in Saskatchewan are eligible to receive increases of upwards of 10 per cent; 9.6 per cent if we take the latest monthly figures. That is almost twice as generous as what Ontario is doing. It is interesting to note that the PC government of Saskatchewan eliminated the retail sales tax on gasoline and set up an extensive, probably expensive, mortgage assistance program for home owners.

BC, which has a Conservative government calling itself Social Credit, was able to work out a reasonably flexible new agreement with its public service that allows employees, especially

at the lower scale, increases of between six and 13 per cent and restricts the higher-paid employees to increases of three and six per cent. As well, it has a program of mortgage relief for home owners.

In Conservative Alberta there are no formal controls on unionized civil servants, only on nonunionized sectors. Again, relief is provided for home owners under a mortgage relief program.

Here in Ontario, we have the magic figure of five per cent to which everybody must bow, no mortgage relief program whatsoever for home owners, no freeze on hydro rates, no real freeze on tuition or transit increases, and all that on top of tax increases contained in the budget that amount to between \$150 and \$300, and a 17 per cent increase in Ontario health insurance plan payments. Obviously this program is the most unfair if compared to other programs in other jurisdictions in Canada at the provincial level.

Beyond the question of price inequities, I think the single most blatant inequity in the program is how the doctors are being treated. I suspect if one went out on the street today and asked people questions about the program, they would ask, "How come the highest paid group in our society is not brought under the heavy hand of this program when all sorts of people, whether they are garbage cleaners, social workers, maintenance workers, or you name it, are brought under it?"

I know the standard defence is: "Well, they have a collective agreement. They signed a contract. The contract must stand." It really must make people wonder when one standard can be applied to the powerful elite in society and somehow those who are not powerful, those who are not the elite, at the lower end of society, can have their contracts torn up and rendered meaningless. I dare say if one went out on Yonge Street or any other street in Ontario the public would regard this as the single greatest inequity in the program presented to them.

Another reason for opposing the program is the powers given to the board. They are more arbitrary than those given to the Anti-Inflation Board. There are no hearings provided, no written submissions permitted, no collective bargaining encouraged, no appeals permitted, etc. It is an extremely arbitrary board.

Because of the simple problem of time and the fact I have to catch a train in the next 25 minutes, unfortunately, I will omit my remarks dealing with the actual content of the bill. It will be a great disappointment to my colleague the member for Downsview (Mr. Di Santo) who

feels deeply disappointed he will not be able to hear that portion of the speech. Leave it that we know the control mechanism is arbitrary and unfair.

Mr. Di Santo: The train can wait.

Mr. Samis: Not for a back-bencher, it does not; only for the front-benchers.

Another reason I am against the bill is that it places the whole burden of restraint on the public sector employees in a certain sense and lets the government off scot-free. We all recognize that times are tough. The wage bill is an important component of any government's cost but it is far from the only one. There are at least five other areas where I suggest the government could save money.

First, I would declare an immediate freeze on the Darlington nuclear project. The costs have skyrocketed from an initial \$3 billion to somewhere around \$10 billion. I would not be surprised if by the time the project is completed we hit the \$20-billion figure. I gather we are moving from \$10 billion to \$11 billion already. The project is turning into a financial nightmare and its whole justification is questionable at best. It is time to rein Ontario Hydro in and make it subordinate to its ultimate bosses, the members of the Legislature. In the meantime, we need an immediate inquiry into the Darlington mess.

Second, we should halt the Trillium adventure. I find it difficult to put an exact price on it, but somewhere between \$30 million and \$100 million, between direct and indirect cost, could be saved on this. The Suncor adventure was bad enough, but now to perpetuate it with the Trillium adventure is equally unacceptable to the people of this province.

Third, I am sure the member for St. Catharines (Mr. Bradley) would agree that we could reduce the government's advertising budget by at least 50 per cent and in the process save somewhere between \$15 million and \$25 million. I would suggest that people are rather fed up at being pummelled with "Preserve it, conserve it" by radio, TV and newspapers now that the election is more than a year and half behind us.

Fourth, I would suggest that we reduce the number of outside consultants by at least 50 per cent. We have a civil service; what are we paying them for? Why do we continue to rely on outside consultants, most of whom are high-priced in the first place?

Fifth, and I emphasize that this will be a personal suggestion, I would favour selling off

the Suncor shares altogether. I realize we would do so at a loss but I see no sense in us perpetuating our involvement in this colossal waste of public funds in the first place when that money could be used to create thousands of jobs and help get portions of our economy moving, especially the manufacturing sector.

Sixth, I would drastically reduce the number of boards and commissions in this province. I think we are grossly overgoverned in this respect. Many of them are used as receptacles and resting places for political hacks, defeated candidates and such.

Those six measures would have at least the same, if not a greater, impact on the causes of inflation at the provincial level than any five per cent freeze. At the consumer level, our party has offered a series of proposals to aid consumers. If we are going to have restraint, let us see it at the consumer level and not just the government level.

Due to the time factor, I will go through these very quickly. We have talked about an eight-month freeze on hydro and home heating prices; a freeze on the gasoline tax; taking away the ad valorem concept altogether and a six-month freeze in retail gasoline prices; an extension of the Rent Review Act to cover buildings built between 1976 and today; tougher controls in the passing through of costs for refinancing; a ban on extra billing by doctors; an inquiry into the increased insurance premiums in Ontario and an effort to get the federal government to rescind the decision to give Bell Canada a premature rate increase and a \$70-million to \$90-million windfall.

There is an alternative to the five per cent solution. It is fair to say this party has provided one dealing with public expenditure and for the consumer components of the cost of living. As I said before, there can be restraint without mandatory controls if there is the will and the leadership to do it. Obviously, there is no will and no leadership on that side to try the voluntary approach. They have taken the most simplistic approach possible—the five per cent freeze.

12:30 p.m.

My final reason for opposing the five per cent solution is that there is no provision in the bill for job creation. At the premiers' conference in Halifax, the Premier (Mr. Davis) was reported as saying, and I will quote from an article in the London Free Press of August 25 under the headline "Davis Wants Jobs, Not Just Wage Limits" as follows:

"The federal wage and price restraint policy is a one-dimensional answer to Canada's economic problems which fails to create employment, Ontario Premier William Davis charged today."

Further on in the article it says, "The need to get people back to work is the top priority facing Canada's politicians, Davis told the reporters." That is what the Premier of this province said.

What does he do when he gets back here to Ontario and calls us back in this special session? He provides no jobs whatsoever beyond those for Mr. Biddell and his coterie, none whatsoever for people who are unemployed. In fact, it is probably a realistic prediction that this bill will mean fewer jobs in Ontario as a result. We are reducing purchasing power, which means fewer goods will be produced, fewer goods will be sold and inevitably staff will be laid off, whether in stores or factories, because of the decline in purchasing power in Ontario resulting from this bill.

A wage control program without a job creation program is like the Tory party without a Big Blue Machine or Harold Ballard without his beloved Maple Leaf Gardens. Wage controls are debatable enough in themselves, but when we have 600,000 unemployed in this province and record layoffs, plant closures and business bankruptcies as well as predictions for an even worse winter ahead than last year, it is almost indefensible to introduce legislation like this without a meaningful job creation program.

Our party has outlined a series of alternatives for job creation but, because of the time restraints, I will not go into details. Both our deputy leader and our financial critic went into considerable detail as to our policies in terms of the public sector, whether with regard to housing, energy conservation, retrofitting, economic stimulation at the municipal level, Autocan, food processing, a crown corporation for mining machinery, forest pollution abatement, increased refining and processing of natural resources, development of secondary industry in the north, reallocation of some of the Board of Industrial Leadership and Development money that we have, partnership programs for community-based economic development, financing for the new partnership fund or various measures for job protection.

They have also outlined programs that would aid consumers in terms of interest rates, rolling back some of the unjust sales taxes in the last budget, raising money through a two per cent surtax on people earning more than \$40,000 and

a surtax on the banks to pay for some of the job creation programs, reintroduction of succession duties on the top three per cent and reintroduction of the land speculation tax. They have talked about measures dealing with trimming waste in government as well.

I think we have attempted to present a balanced program on where we would spend the money, where we would take it from and how we would use it.

In closing, again because of the time restraints, I want to reiterate my basic position. The government has failed to provide a convincing case for the need for controls. The proposed controls will not deal with the basic sources of inflation. The controls, in terms of prices, are an absolute farce. Inflation is already on the decline and will continue to decline for the upcoming 18 months, if not the next 36 months, as predicted by most economists. The recession is a far greater and deeper problem facing us than is inflation.

Job creation, as the Premier said in Halifax, is our top priority. He was right on that. But this government proposes virtually nothing in this respect. Restraints may be necessary in some aspects, but mandatory, legislated wage controls on only one segment of our society are unacceptable and unproductive. On that basis, I intend to vote against this bill.

Mr. Kolyn: Mr. Speaker, it is indeed a pleasure for me to be able to stand up here today to make a few comments on Bill 179 and Bill 180 and why we should support them, as I certainly do.

First, I want to deal with Bill 180. It is a very short bill, entitled An act to authorize the entering into of an Agreement with the Government of Canada with regard to an Anti-Inflation Program. The explanatory note states:

"The purpose of the bill is to authorize the Treasurer, on behalf of the province, to sign an agreement with the government of Canada, to bring into effect in Ontario a national anti-inflation program if enacted by the government of Canada. The bill provides that such an agreement, if signed, would be subject to ratification by the Legislature."

The Premier (Mr. Davis), in his statement of Tuesday, September 21, stated: "We stated our position clearly at the first ministers' conference in February of this year, and we have repeated it on every available occasion since. We remain convinced that a national program of economic recovery, based on the objective of sustained

growth without inflation, is both critical and possible for all Canadians.

"While Ontario respects that each province and each region has its own particular problems and potentialities, the absolute truth is that Canadians in every part of this country have experienced the effects of a recession that is nationwide. Ours is a national economy, highly integrated, with each part depending upon the others, and ours is a federal state where each jurisdiction depends upon the others to determine our national goals.

"So, while the individual efforts of provincial governments can and do have an impact upon our national economy, recovery in all parts of Canada can be engendered only by a program that embraces the whole country and in which all provincial jurisdictions act in concert with our federal government. Surely, these shared difficulties justify a national program that creates an equitable and stable framework in which economic recovery can be shaped.

"One central element in such a recovery package is a national incomes policy. A comprehensive program of wage and price controls for all Canadians would have several advantages. It would reduce inflationary expectations; restrain domestic cost pressures and improve our competitive position; spread the costs of combating inflation across a wide spectrum of society and demonstrate economic leadership at a time when consumer and investor confidence is at an all-time low in our country.

"More important, such a national program would contribute to maintaining the strength of the Canadian dollar. This would in turn allow for a lowering of our domestic interest rates. As such, it would aid significantly in restoring business confidence, in increasing international trade and, most important, in restoring the thousands of jobs already lost through the vagaries of the current federal policy.

"Therefore, I repeat my contention that to be truly effective, any program of control must be national in its scope and universal in its application."

I entirely agree with him, and I believe that, in time, Bill 180 will be implemented.

I wish now to go to Bill 179 and Ontario's contribution to the anti-inflation package. Before I go into Bill 179 in depth, I want to look at what other provinces are doing in regard to their anti-inflation programs. I have some background facts here on other jurisdictions.

With the exception of Ontario, all provincial jurisdictions have restraint packages that con-

centrate on limiting wages. Newfoundland, for example, has introduced a two-year program that is not legislated. Employees earning less than \$13,000 will receive increases of seven per cent and six per cent. Those earning from \$13,000 to \$18,000 will be limited to six per cent and five per cent. Those earning more than \$18,000 will be held to five per cent and four per cent.

These measures do not affect current contracts, nor do they affect municipalities.

Prince Edward Island has not announced a control program, although the current election campaign is focusing on less government.

Nova Scotia has no program for its unionized employees; yet for its 3,500 nonunionized employees, the government will broadly follow the six per cent federal guidelines.

In New Brunswick, no control program has been announced, but restraint is an election issue.

12:40 p.m.

In Quebec, a dramatic wage restraint program has been announced. From January 1 to March 31, 1983, public sector wages will be rolled back by 18.85 per cent. This will recover some \$521 million that the government was paying the public service in the last six months of this year as part of an agreement negotiated just prior to the referendum. For the rest of 1983, the Quebec government has proposed a wage freeze on most of its public service employees. For the two years following, Quebec has offered all public sector workers, including civil servants, teachers, hospital staff and nurses, increases of five per cent and 3.2 per cent along with a slight cost of living increase for each year.

In Manitoba, no program is likely, although the government has stated that employees earning more than \$35,000 should be limited to increases of eight per cent.

In Saskatchewan, effective September 30, wage increases will be held to one per cent below the inflation rate, which at present is 8.5 per cent in the province.

In Alberta, no control program has been announced. The government has suggested that settlements should be less than 10 per cent.

In British Columbia, a two-year program roughly paralleling the six and five program has been announced. It has some flexible features, such as allowing collective bargaining and tying future increases to inflation rates and productivity.

That is what some of the other provinces are doing. I believe Bill 179 will help combat inflation in certain ways.

We have heard from members of the third party about their concerns for the organized groups they seem to represent. I live in Etobicoke, and this week I was reading the Etobicoke Guardian. The provincial restraint program affects a lot of people in the borough, as members are well aware. A number of groups have been losers. Specifically, I want to deal with the trustees from our school board.

The article states: "Last month trustees elected to raise their \$4,800 annual salary to \$11,500, effective December 1. They proposed to up that figure to \$12,200 next year and to \$12,750 by December 1984. Most of the board's 13 trustees resigned themselves to the province's five per cent wage ceiling for public wages, saying they wished to co-operate with the government's plan for economic recovery."

I want to take a moment or two to quote some of the trustees as to what they think of the restraint program.

"Trustee Bill Williams said he 'felt badly' about the vetoed increases but had reconciled himself to the situation. 'If everyone else has to bear the load, I'll bear my share,' declared the ward 1 trustee.

"Ward 2 trustee John Campbell said he had 'no real reaction' to the situation. 'The provincial government has imposed wage and price controls to the private sector. The Etobicoke board will comply with those requirements,' he stated.

"John Tolten of ward 3"—one of our trustees—"said he laughed when he was informed of the government announcement, describing it as 'ironic.' 'After all the abuse the trustees had taken—maybe rightly so—and then through the stroke of a pen, it's negated,' he said. 'It's ironic we took a cut the year the restraint program came in. . . I do not think the trustees will be part of a crowd protesting the restraint program.'

"Aileen Anderson said she supported the provincial government's decision to impose price and wage controls. 'I think that if the Ontario government has decided to restrain wages in the public sector, I would agree with their reasoning for doing it,' said the ward 4 board member.

"Bob Ferguson, who did not support the proposed pay hike, also favoured the government's stand. 'I feel we have to be the same as everybody else,' insisted the ward 4 representative. 'It's a sensible piece of legislation to start with. Unrealistic salary demands directly contribute to inflation. . . This could be the start of a more sensible type of economy.'

"Ward 5 trustee Clare Farrow says he has experienced 'mixed feelings' towards the deprivation of the proposed wage hike. 'I suppose when I weigh up the considerations and come to the bottom line, I'm content. I was not totally happy with the full increase. I'm happier with the smaller amount. Now that the government ceiling has been imposed on the public sector, I don't see why the trustees should be an exception.'"

These are some of the reactions of our members who were directly affected, and quite severely, as one can understand.

"Separate school trustee Michael Doyle, representing wards 1 and 5, believes it's a trustee's responsibility to support the government's policy. 'I guess if the country is trying to pull its way out of the economic situation, I will do my part to help,' he said."

I believe that represents most of the feeling in Ontario. Whether we like it or not, Canada has grave economic problems. We will all have to pull our share to get Canada moving again.

The economic circumstances in which we currently find ourselves demand action. We are experiencing unacceptable levels of unemployment. Layoffs and bankruptcies are eroding the confidence of our people, and our manufacturing industries are being particularly hard hit.

In response to the recessionary conditions facing our province, and in the absence of a much-needed national restraint program, our government has taken the initiative in introducing a restraint package to curb the pressure of government on the capital market. Inflation can be beaten. Ontario has set the example, and it is now up to the private sector and all governments in Canada to follow our lead.

Plainly and simply, we have a well-run province. Despite the recession, Ontario and Ontario Hydro have been able to retain their triple-A ratings.

Mr. Cassidy: What about employment? Where are the jobs?

Mr. Kolyn: We have another speaker here, and I am sure he will have his chance to expose his views to us.

As one recent example of what a low rating means, Hydro-Québec and Ontario Hydro borrowed on the European bond market in April. Hydro-Québec had to pay 16.5 per cent interest on its loan, but Ontario Hydro got its money at 14.75 per cent. When borrowing hundreds of millions of dollars, a difference of 1.75 percentage points can mean a substantial saving.

Mr. Cassidy: You're crucifying the people for a credit rating.

The Acting Speaker (Mr. Cousens): Order.

Mr. Kolyn: The fiscal integrity of Ontario is unparalleled. Since mid-1970, Ontario Treasurers have been committed towards spending restraint. On the other hand, the federal government has a double standard: while advocating restraint and allocating huge sums to spread its six and five message, it continues to be negligent with the taxpayers' money.

For example, Mr. Edmund Clark, a senior bureaucrat in the Department of Energy, Mines and Resources, is spending a whole year in Paris courtesy of the Canadian taxpayers. His paid educational leave, estimated to cost \$172,000 for 12 months and \$207,000 for the anticipated 15-month stay, is an outright abuse of public funds at a time when taxpayers are being asked to make sacrifices.

Taxpayers are also paying for a \$7-million training program set up by the federal Department of Energy, Mines and Resources to recruit francophones and pay them \$25,000 a year while they await permanent jobs in scientific and professional fields. A departmental memo urges managers to use "creativity, imagination and innovation in finding ways to absorb the francophone recruits."

What this means is that the federal government is paying all these people to float around until jobs are made available to them. Is this their way of practising restraint?

In this inflationary period it is the responsibility of every level of government to tighten its belt. Ontario's restraint legislation is obviously a notch higher than Bill C-124, the federal restraint legislation. It goes farther in its attempt to control the inflationary spiral.

12:50 p.m.

The Ontario program has broader coverage provisions than the federal program's. Basically, the federal program covers the public service, crown corporations and railways. The Ontario program covers the Ontario public service and crown corporations, plus workers in the municipal, health and educational sectors.

The clause prohibiting merit increases becomes effective at a lower income level in Ontario than in the federal program. Approximately 40 per cent of federal employees earning less than \$49,000 will be entitled to an additional four per cent merit increase, thus making the six and five society resemble more closely the 10 and nine society.

This inconsistency has raised doubts about the credibility and sincerity of Ottawa's proposal. Carl Beigie, president of the C. D. Howe Research Institute, a Toronto-based economics research organization, argues as follows:

"What we are now seeing is a significant departure in government from the six and five spirit. The government is continuing to grant productivity increases to a large percentage of public servants even though there have been no productivity improvements in the public sector or in the nation itself for several years.

"As a result of Ottawa's inconsistencies, the inflationary circle will continue at closer to 10 per cent than six per cent. Also, many private companies attempting to seek clarification of the government's restraint program in an effort to implement something comparable have become confused and uncertain in the light of the federal 'extras' still being allowed."

Ontario is urging Ottawa to introduce a program of wage and price controls across the board. This will remove the inconsistencies between the private and public sector as well as giving our economy a fighting chance to recover. Ottawa, however, has turned a deaf ear to our proposals. Without national participation, our restraint effort will only have a minimum effect. We only hope that others will voluntarily follow Ontario's example. Already some provinces have introduced their own restraint measures.

Before concluding, I want to say that our government's restraint package has been most sensible and fair to our public employees. Our public sector has been most fortunate in escaping layoffs and other effects in a slumping economy. Surely it is reasonable that our public employees trade job security for lower wage increases.

Mr. McClellan: Don't forget to talk about the rollbacks. Didn't they tell you about the rollbacks?

Mr. Cassidy: What about the X-ray technicians? Where's their security?

The Acting Speaker: Order.

Mr. Kolyn: In asking our public sector to support Ontario restraint programs, we are trying not only to find a way to curb inflation but also to get our unemployed back to work.

Thank you, Mr. Speaker, for the opportunity to say a few words.

Mr. Boudria: Mr. Speaker, I am caught at the last minute here. I did not expect to have the opportunity to—

Mr. Swart: Come on, you fellows, applaud your member.

[Applause.]

Mr. Boudria: I want to thank the honourable members for that warm round of applause.

As I was saying, I am somewhat surprised that I am being asked to commence my participation in this debate this afternoon. I was assuming I would do so on Monday. Nevertheless, I am very happy to have the opportunity to participate in this very important debate.

I want to say at the outset that I favour the principle of restraint. I believe we must lower inflation and we must lower expectations. More than that, we must lower expenses. But, even more fundamentally, we must reduce the waste we have seen perpetrated by this government in its expenditures. In dealing with Bill 179, that part of the equation has not been very well addressed.

I feel that the government, despite the fact that it has handled the legislation in a rather tight way to cover most of the angles, has not demonstrated the principles of equity in this legislation. One of the obvious ways in which the equity is not there is that the government has not demonstrated to us that it is willing to commit itself to fiscal policies in which it will stop wasting taxpayers' money on absolutely useless ventures.

If they can demonstrate to us that this is what they are willing to do, they should also demonstrate to the population of Ontario that they will use those funds saved by wise management and invest them in the area of social services and more particularly in general welfare assistance. That is one part of our society right now that is suffering greatly from the effects of inflation and high unemployment.

My leader, the member for London Centre (Mr. Peterson), stated to us in the House recently that he would have preferred a plan that would have been all-encompassing. Our view on this was not generated by a public opinion poll or anything of the sort. We have been advocating that since the summer.

My first reaction after looking at Bill 179 was to ask why it took all summer to think of this. There does not seem to have been much thought put in it that would require from July until the day this was introduced on September 21 to come up with this kind of legislation. I am sure the government could have done so before. Perhaps they did wait for a favourable poll before deciding to introduce it instead of intro-

ducing it earlier and making it all-encompassing as I suggested.

I was speaking a minute ago about the fact that the government should demonstrate to us in Ontario that it is willing to cut expenditures. One of the things I have a little difficulty with is this famous party we are going to have in 1984. We are all sure that by pure coincidence it will probably not be long before the next provincial election. I am all for parties. I do not want anyone to think I am anti-party, because I am not that kind of person. But I have been reading a little of our history and I have been thinking of all kinds of famous dates we could celebrate.

The Quebec Act was signed in 1774, and that is basically what started the form of democratic government we have now in this part of North America. In 1791, we signed the Constitutional Act, which separated the country into Upper Canada and Lower Canada—two distinct provinces. Upper Canada was designed expressly, according to British parliamentary government and traditions, to accommodate the influx of United Empire Loyalists who were coming in at that time. All this came as a result of the Declaration of Independence in the United States in 1776. There was another influx in 1789 after the US constitution. There were also the “late loyalists,” who came after 1791.

All this confuses me as to why 1984 has anything to do with all those dates. I will agree that some loyalists came here in 1784, and I am not against them. But if we are celebrating the anniversary of Ontario, why are we not doing that in 1991, when we will have more funds, when we will not be in an election year, when we will be able to afford it and when we can relate it to a distinct incident that occurred in the history of this province?

That is what we should be celebrating instead of an arbitrary date picked by the Provincial Secretary for Social Development (Mrs. Birch) because that would be something for her to do.

I will read an editorial concerning this very topic in the *Ottawa Citizen* of September 28. This editorial is entitled “Bill Davis, Party Man”:

“All patriotic Ontarians will want to applaud the provincial government’s plan to celebrate the province’s bicentennial in 1984 with a lavish party.

“After all, every school child knows about the significant event that occurred in 1784—it is fixed in their memories as surely as is the date the flush toilet was invented by Thomas Crapper.

“As we all know, 1984 will mark the 200th anniversary of the arrival of the United Empire Loyalists in Upper Canada, as Ontario was then known. Or it might have been a few years earlier than that. Why quibble over details? On with the party!

1 p.m.

“Apparently some spoilsports surveyed by the province have suggested that 1984 seems ‘somewhat artificial and contrived as an excuse for a bicentennial.’ Some even had the effrontery to suggest there must be some ulterior motive—political gain prior to an election.

“It is true that there will probably be a provincial election in 1985 and that the goodwill engendered by the bicentennial celebration might dispose some voters more favourably towards the government, but that is the purest coincidence. Really.

“As for the suggestion that 1784 is not a significant date in Ontario history, that is easily dealt with. We celebrated the centennial in 1884, didn’t we? No more need be said.

“Some of those polled have expressed concern about the proposed \$11-million cost of the celebration. Admittedly it seems like a lot of money, but look at it this way: it’s barely enough to buy two water bombers. What would you rather have for your tax money: a couple of ugly, slow-moving airplanes or a good time?

“A few opposition Jeremiahs”—I guess that is a reference to the folks on my left here—“have alleged that the cost of the celebration is excessive at a time when public-sector salaries are being controlled and grants to municipalities, school boards, hospitals and other agencies are being pared to the bone.

“Nonsense, we say. Economic hard times are sapping the native good humour of Ontario residents. By 1984, Ontarians will badly need a good laugh. What better way to provide it than by blowing a wad of money on a good old-fashioned elbow wag?

“George Orwell knew instinctively that 1984 would be an important year in the history of mankind. If for no other reason than to prove that Orwell was correct, the party must go on.”

The Acting Speaker: This would be a good opportunity for the honourable member to terminate the debate.

On motion by Mr. Boudria, the debate was adjourned.

The House adjourned at 1:03 p.m.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*

(125 members)

Second Session of the 32nd Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC**Speaker: Hon. John M. Turner****Clerk of the House: Roderick Lewis, QC**

- Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
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*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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Breagh, M. J. (Oshawa NDP)
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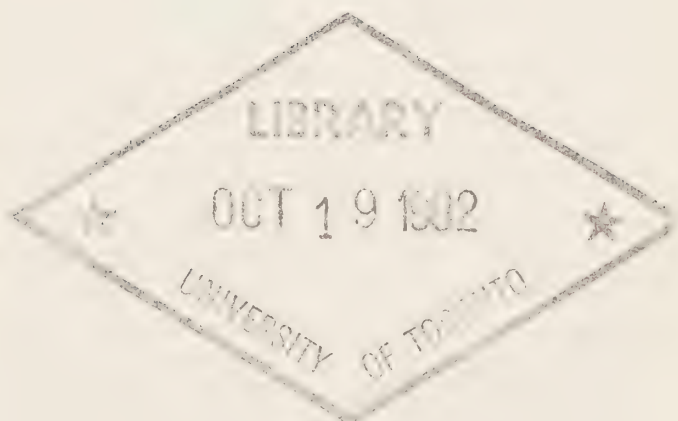


Ontario

No. 110

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Monday, October 4, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, October 4, 1982

The House met at 2 p.m.

Prayers.

ADMISSION TO GALLERY

Mr. Speaker: On Thursday last, after the disturbance which led to the clearing of the public galleries, I agreed to make a statement on the matter early this week. Unfortunately, in my absence on Friday an incident arose which perhaps was a reaction from the disorder on Thursday and perhaps a natural fear of a repetition.

I think I should emphasize that there is no dress code for the public galleries as long as the apparel does not form part of an obvious demonstration, which is not permitted in the House nor inside the Legislative Building. Such demonstrations are an affront to and contempt of the whole House, no matter to whom it is directed.

To deal with the disturbance of Thursday and the questions arising therefrom: First, as to the suggestion that the action taken last Thursday in some way infringes the privileges of the House and of the members, I point out that there is no recognized privilege of the members to have an audience in the galleries. On the contrary, one of the most important privileges of the House is to be allowed to conduct its business and its debates without interruption, disorder or attempted intimidation from the galleries.

There is ample authority for the action taken, in standing orders 6 and 9 and by many precedents in this House and other parliaments. I refer the members to the 19th edition of May's Parliamentary Practice at page 223 where, under the heading "Misconduct of Strangers in the Galleries," it states:

"Individual instances of misconduct on the part of strangers admitted to the galleries of the House have occurred from time to time, and the offenders have been removed from the galleries, or the galleries have been closed by the Speaker's directions, or the Speaker has issued a warning of his intention to clear the galleries if disorderly behaviour were to continue."

I also find very interesting the quotation

from the House of Representatives in Australia in which the parliamentary practice is very succinctly stated as follows:

"Admission to the galleries is a privilege extended by the House, and people attending must conform with established forms of behaviour. People visiting the House are presumed to do so to listen to debates, and it is considered discourteous for them not to devote their attention to the proceedings. Thus, photographs are not permitted to be taken in the chamber, and visitors are required to refrain from reading, writing, conversing, applauding, eating and so on. Successive Speakers of the House have upheld these rules. Visitors in the galleries are not permitted to display signs or banners."

To sum up the matter as briefly as possible, may I say that strangers are permitted to remain in the galleries as long as they obey the rules and traditions of Parliament and listen, without any demonstration, applause or disorder of any kind. The Speaker has always been charged with the enforcement of this principle, and if, as on Thursday last, it becomes impossible to isolate those causing the disturbance, there is no alternative but to clear the galleries in accordance with the precedents cited.

Mr. Martel: Mr. Speaker, if I might, having been one of those people who met with you to discuss this matter, it seemed to me there was some tacit agreement that the conduct which was unacceptable at the time and the action which therefore followed would not be tolerated in the future, but it was my understanding that it would be drawn to the attention of the public via a statement today that people would not be kicked out totally for the whole of the session. Should they return and then conduct themselves in an improper manner, they would be asked to leave and not be allowed back in for the rest of that session. I think that part of the statement is missing, and I ask you why.

Mr. Speaker: I think probably you did not listen very carefully to what I said, because it is covered in there quite fully. It must remain part of the discretion of the Speaker to make those decisions.

Mr. Martel: That is not what I am talking about, and you know it.

Mr. McClellan: Mr. Speaker, on a point of order—

Mr. Speaker: No; you are out of order. I have done what I said I would do.

Mr. McClellan: How can you know it is out of order when you have not heard my point of order?

Mr. Speaker: A point of order on what?

Mr. McClellan: Mr. Speaker, with respect to part of the matter that was raised here this afternoon, I want very briefly to set out a concern that has not been addressed in your statement.

Mr. Speaker: All right. It cannot be debated. I just point that out.

Mr. McClellan: No. I am not debating anything you said, sir, because we agree with what you said. There is no question at all that if there is a disturbance in the galleries, the Speaker has the authority and the responsibility to deal with the disturbance, and that is what you have spoken to.

The concern that was raised last week, which I do not believe was addressed in your statement, is the question of how long the galleries should be closed upon the action of the Speaker to deal with a disturbance. The concern which we raised last week, and to which we hoped you would address yourself, was the fact that the galleries remained closed for the remainder of that sitting and then appeared to be closed again on the evening of the same day. There is some confusion as to what the status was in the evening, but there is no confusion with respect to the status in the afternoon.

2:10 p.m.

It is not our intention to debate the matter, but perhaps the suggestion made last week by the member for St. Catharines (Mr. Bradley), and seconded by myself, that the matter be referred either to the standing committee on procedural affairs or to a meeting of the House leaders and their assistants, together with the Speaker and his assistants, would be useful in dealing with this second matter; that is, how long the galleries should remain closed following their clearance after a disruption.

Mr. Speaker: When the member has an opportunity to read Hansard, he will see that the matter has been addressed. Again I must say, very clearly, that must lie within the jurisdiction, discretion and judgement of the Speaker.

Mr. Bradley: On a point of order, Mr. Speaker: You and the member for York Centre (Mr.

Cousens), who was the Acting Speaker on Friday, will recall the issue at hand on that particular day was the wearing of specific tee-shirts. Perhaps I did not catch it, but I did not hear the issue of tee-shirts spelled out. It was generally agreed among the three parties that the wearing of tee-shirts that simply identify a person as a member of a union would be accepted. Otherwise, if they bore a political message, they would not be. Will the Speaker clearly point that out for those who are going to be in the galleries?

The second point I address is that of the length of time and what would be done in terms of repeated offenders who might be involved in an offence a second or third time. The last point I would make is to reiterate the suggestion which the member for Bellwoods (Mr. McClellan) found reasonable, and certainly his party is agreeable, that is to have this dealt with by the standing committee on procedural affairs or the House leaders.

Mr. R. F. Johnston: Mr. Speaker, I know it is not the practice in the House, and in most cases it is not necessary at all, but I wonder if you would look at this suggestion. When you are trying to clarify matters that are of some length, such as the one today, would it be possible to give each party a copy of what you are reading, as is normally done with statements? Is that at all possible?

Mr. Speaker: It is possible, but it has not been done. It appears in the Votes and Proceedings.

I would like to address the member for St. Catharines. When he has had an opportunity to read this in Hansard, he will find it quite clearly deals with this matter and the other matters he has raised as well.

STATEMENT BY THE MINISTRY

BUY-CANADIAN POLICY

Hon. Mr. Wiseman: Mr. Speaker, I would like to take this opportunity to share with the Legislature a new initiative taken by my ministry in the area of Canadian-made product purchasing. I am sure it will interest this House to know that two to three per cent of all construction in Canada is under the auspices of the Ministry of Government Services. In the fiscal year 1981-82 this government spent in the neighbourhood of \$70 million in renovations and capital construction in the province.

Some rather startling statistics come to light in purchasing Canadian goods. For instance, we are able to buy only an average of 60 per cent

Canadian-made electrical and mechanical products. This is just not good enough. If we are to be successful in offering stimulation to our economy through government purchasing, we must do better than simply be satisfied with what is currently available to us. We must encourage Canadian initiatives in the manufacturing of needed products for the overall benefit of our province and our country.

I sincerely believe our actions in these areas will provide job creation incentives right where they should be, in the private sector. I believe we can play a major role in offering Ontario and other Canadian manufacturing an excellent opportunity to help us as a government and, more important, to help themselves.

The procurement of Canadian-made electrical and mechanical products has been a very real concern to me, and I shared these concerns with the House not too long ago. At that time, I advised the Legislature that the Ministry of Industry and Trade and the Ministry of Government Services would be working in concert to ensure that everything possible would be done to seek further opportunities to buy Canadian in these two very important areas.

I am happy to report that, effective last Friday, a procurement officer was provided by my colleague the Minister of Industry and Trade (Mr. Walker) to work hand in glove with the Ministry of Government Services to achieve these goals.

We will identify these products which are not now available to us through Ontario and other Canadian manufacturers. The Ministry of Government Services will then work directly with the Ministry of Industry and Trade to encourage Canadian companies to examine these manufacturing opportunities. The result will be to increase employment, productivity and manufacturing opportunities in Ontario.

ORAL QUESTIONS

JOB CREATION

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. The Treasurer is no doubt aware of the announcement this morning of the layoff of another 1,250 truck production line workers in Oshawa, starting October 25. In many ways this is a typical week in this province. They will join the approximately 300 employees of Atlas Steels in Welland who have been laid off, the 94 workers at Shaw Pipe in Welland and 49 employees at Borg-Warner in Cambridge, and add to the already current total of about

17,000 laid-off workers in Sudbury, 3,425 in Sault Ste. Marie, 1,200 from Stelco in Hamilton, and indeed thousands of others from across this province.

The figures indicate that the number of permanently or indefinitely laid-off workers in this province is up by 144 per cent from a year ago in the January to August 31 period. When the Treasurer brought in his wage restraint program, he said it was the first step and the first step only. How long do we have to wait for the second step?

Hon. F. S. Miller: Mr. Speaker, I am aware of those facts just given. I believe the reduction is a one-shift reduction in the light truck plant at General Motors, with similar reductions on the US side. I am aware also that it is not exactly rosy in the economic picture at this moment.

At the same time, when I brought out the five per cent package, we said we would be asking Ottawa, and we have, to co-operate with all 10 provinces. In the event they do not, Ontario will have to take some economic steps, but I believe with the attitude of the new federal Minister of Finance we will have some co-operation on the economic stimulation side.

Mr. Peterson: We have asked the Treasurer before what he is going to do. Am I to assume his response is to blame them or to call a meeting? We ask him what he is going to do with the money saved in terms of provincial transfers as a result of his program. He has mentioned the figure of some \$840 million or so—and let us not quibble about the number—which will be saved because of the restraint program, against budgeted transfers. In other words, a substantial amount of money will be available.

My question is this: Is the Treasurer just going to use that to reduce the deficit, as he implied he might in a response during question period a week or so ago? Why does he not take some of that money right now and put it into job creation programs so this will not be the bleakest winter in memory for a lot of these unfortunate people?

Hon. F. S. Miller: The Leader of the Opposition is changing his point of view rather dramatically. For the four years I have been Treasurer, he has constantly reminded me of the deficit and has told me to do something about reducing its size. Now he is telling me I have saved money, therefore, there must be money in the till. He knows that is ridiculous.

At the same time as we will have some savings in the future we have immediate losses in

revenue; it does not mean there is a pool of money and the Leader of the Opposition knows it. He also knows it is best that we have one national economic recovery program. All 10 provinces agree on that. I am not blaming the federal government at all, but they have just changed ministers in two shifts and I understand there is to be a third shift. The Leader of the Opposition knows it is not worth spinning our wheels in a province alone when most of the economic power is in Ottawa.

Mr. Bradley: It's in Washington.

Hon. F. S. Miller: I'm not blaming them, Jimmy.

Mr. Speaker: Order.

2:20 p.m.

Mr. Breaugh: Mr. Speaker, in addition to the layoffs in Oshawa, we now have a number of major industrial centres in the province that are facing substantial increases in unemployment; with unemployment insurance benefits running out, they are going to have a very difficult time coming through this period.

Is the Treasurer prepared to give us any idea as to what plans he might have for those industrial cities, such as Oshawa, that have experienced these dramatic layoffs? Is he preparing to carry through some of the commitments, made in a somewhat veiled way by the Minister of Municipal Affairs and Housing (Mr. Bennett), to go to those municipalities that have high unemployment and are going to have increased welfare costs and to do something locally that either would stimulate the local economy or, at the very least, would do something to buffer the dramatic effects on welfare programs around Ontario?

Hon. F. S. Miller: Mr. Speaker, I think it is safe to say we are very concerned that the 20 per cent raised at the local level might be very hard to achieve in some municipalities. This should in no way lower the security of assistance for people living in those municipalities. We all have to find a way to help people, whether or not the municipality is able to raise its share. I just hope that is limited to a very few, and smaller municipalities, in Ontario. We have an overall obligation to people no matter where they live, and I am reasonably sure it will be honoured.

Mr. Peterson: On a quasi point of privilege: May I clear up some of the misunderstandings of the Treasurer, who attributes certain statements to me that are not correct? We have said the government should not be wasting money

on Suncors, land banks, advertising and silly things like that which do nothing for Ontario. I stand by that. If the Treasurer had spent that money on job creation, then we would have something in this province now and in the future. He has squandered it, and he knows that.

Mr. Speaker: Question, please.

Mr. Peterson: My question is this: Why does the Treasurer not recognize that out of approximately 1,800 layoffs in August alone, probably more than 400 are permanent? Those jobs will never come back. One example is the Miami Carey factory in Barrie.

We have very serious problems. The Treasurer took his own initiative on the restraint program, he did not take that occasion to follow the federal example; why can he not follow his own example now and do something about the people who will be facing the bleakest winter in memory?

Hon. F. S. Miller: First of all, we have done something—

Mr. Foulds: What have you done?

Mr. F. S. Miller: What have we done? The honourable member does not like to recognize that we have people at work who would not have been at work had we not taken the actions in the budget. He does not like to admit that in the north we have section 38 jobs going through the Ministry of Natural Resources in the forest and mining industries. He does not want to admit that we are working with municipalities right across this province on public works activities through the assistance of the Minister of Municipal Affairs and Housing. He does not want to admit that we are working on the universities of this province so that we have a lot of people working under the assistance programs.

RESTRAINT ON DOCTORS' FEES

Mr. Peterson: Mr. Speaker, in the absence of the Premier (Mr. Davis), I have another question for the Treasurer. Will he be so kind as to inform this House about the results of the meeting of his administration on Thursday—I have no idea whether he was there—with members of the Ontario Medical Association? Presumably the Treasurer and/or the Premier asked those people to contribute in some way to this restraint program. What was requested of those people and what was their response?

Hon. F. S. Miller: Mr. Speaker, I was not there. I am not privy to it, and I cannot answer.

Mr. Peterson: Very frankly, it is a shocking comment that the Premier would not invite the

Treasurer to a meeting like that. However, would the Treasurer care to redirect the question to somebody who was there? Was it only the Premier who was there?

Mr. Bradley: Was Larry there?

Hon. Mr. Grossman: I was in Vancouver, doing my job.

Mr. Peterson: Let me ask the Treasurer for his personal opinion, since I gather that is all he is asked for now, anyway. Would it not be his impression that the \$82 million he could save his Treasury as a result of bringing in a restraint program in this area, i.e. making the doctors' fees conform with the principles inherent in his restraint program, could be used well and effectively to create jobs in this province for this coming winter?

Does he not agree with me that in the absence of that kind of program we are going to see far more inequity, and the people who are asked to comply with his program will be much less happy doing so when they see these gross disparities in his program?

Hon. F. S. Miller: Mr. Speaker, I have made comments in the past that it would be much easier for me if they were in.

Mr. Peterson: Is the minister going to bring them in?

Hon. F. S. Miller: I have no comment on that at all.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Treasurer. Is he fully aware that his wage restraint bill, Bill 179, rolls back the wages of approximately 100 Canadian Union of Public Employees agreements that have already been signed and settled and that extended into 1983-84, and in a very few cases beyond that? Is he fully aware of the extent of the confiscation of wages that is taking place under his control legislation?

Is he aware, for example, that a building custodian with Ontario Housing will lose \$1,209; that a labourer with the regional municipality of Sudbury will lose \$1,326; that a laundry aide worker in Barton Place Nursing Home will lose \$1,590; that a housekeeping aide in North Centennial Manor home for the aged will lose \$1,112; and that a social worker in the Bruce County Children's Aid Society will lose \$1,659? How can he justify confiscating people's wages in that way, and can he explain how this confiscation will add to the economy of Ontario?

Hon. F. S. Miller: Mr. Speaker, that is version number five of what I am beginning to think is a daily question, because the honourable member has asked that same question in some form each day. He has the strange idea that somehow the money paid to all those people: (a), is less than it was this year—he keeps using the word “confiscation”; and (b), does not come from taxpayers, many of whom cannot get five per cent or even get a job.

I argue that when we have a very high percentage of people unemployed in some of the ridings represented, such as the riding of his friend the member for Sudbury East (Mr. Martel) on his right—I do not know how many are unemployed in Sudbury, but it is the highest percentage in all Canada—a good many of them right now would dearly love to have a five per cent increase and steady pay; that is why we did it.

Second, the member also knows that, unlike the federal scheme, we treated the people at the low end of the scale fairly, in that there is a minimum increase of \$750 mandated and some flexibility up to \$1,000. While some contracts obviously were abrogated—I do not know whether 100 is correct; I certainly know a considerable number were—I think, strangely enough, the reverse also happened. I happened to be in a riding where some people will get 2.8 per cent more next year than the contract they signed would have entitled them to, because of our bill.

Mr. Foulds: I would like the Treasurer to explain how he and his government, which presumably is a government that pays some attention to the rule of law, justify ripping up contracts that have already been signed and interfering in agreements between employers and employees. These employees were guaranteed by the agreements signed by their employers that they would be receiving wage increases such as the ones I have outlined.

How does he think it makes it any better when, for example, he takes away from a laundry aide worker in the Barton Place Nursing Home only \$1,340 instead of \$1,590, because of the so-called equity that is built into the lower end of the scale? How does he think it makes it any better for the labourer in the regional municipality of Sudbury to take away only \$1,216 instead of the maximum of \$1,326? How does he justify that?

Hon. F. S. Miller: The member keeps on this “take away” bit. He is doing his calculations—

Mr. Foulds: The Treasurer is taking it away. The employers agreed to pay it to them.

Hon. F. S. Miller: We are not taking it away. No one on this side was happy about the course of action we took. The member has heard the Premier (Mr. Davis) say that on a number of occasions. We did not like taking it. These are not normal times. We have taken action we believed was necessary in the interest of all the people in the province, all of whom are represented by the government on this side.

2:30 p.m.

Ms. Copps: Mr. Speaker, I wonder if the Treasurer might advise us whether those lofty principles of restraint apply also to the medical profession; and if so, when his government intends either to bring them into line voluntarily or by legislation.

Hon. F. S. Miller: Mr. Speaker, I don't know whether that is a supplementary or not, but I answered it to the member's leader.

Mr. Mackenzie: Mr. Speaker, I cannot understand the Treasurer. These are signed contracts that are being rolled back in the second year.

Does he realize that of the five examples given by the deputy leader of this party, four of them are incomes of \$18,000 and under, and as low as \$14,000 or \$15,000 a year in at least one case; and that they will lose \$1,200, \$1,300 or \$1,400 with the rollback of that contract in the second year? Does he recognize this is one union alone and does he realize the loss of wages it means on the very lowest level income people?

Hon. F. S. Miller: Mr. Speaker, I am reasonably aware of that, but I am also aware that the principles the members in that party espouse do not ever work when they are put into practice.

I had the interesting chance to read the other day about what has happened to the great country of France since it went socialist under Mitterrand. He has just had to freeze all wages in that country. A socialist had to freeze them all because since he took office inflation has gone up so fast, unemployment has gone up so fast and the value of his currency has gone down so fast, because socialist ideals do not work, that he had to put in a major, massive change in direction and become a capitalist again.

Mr. Foulds: I observe that Reaganomics are really working well in Ontario, are they not?

I have a question for the Minister of Labour. Is he aware that the Treasury hotline number on Bill 179 is making the following labour relations interpretations: When asked, they are indicat-

ing that if Ontario health insurance plan benefits are in a contract, and if OHIP is included at 100 per cent or full OHIP coverage, then that will be passed through and not considered to be five per cent of the compensation in a new contract; but if, on the other hand, the contract language specifies a fixed sum—for example, OHIP coverage will be \$48 a month, or something like that—then any attempt to improve that fixed sum will be considered part of the five per cent compensation package?

Is the minister further aware that the hotline is saying to people who inquire that if a contract specifies shift premiums as a percentage of hourly rate, then it will be passed through and not affect the five per cent compensation package; however, if that shift premium is specified in the contract as a fixed monetary rate—for example, 25 cents or 30 cents an hour—any attempt to improve that item will be considered part of the five per cent total compensation? How does the minister explain these discrepancies in interpretation?

Hon. Mr. Ramsay: Mr. Speaker, I have not been privy to the hotline and I have not found occasion yet to make use of it; so the honourable member is bringing this information to me for the very first time. I will be pleased to look into it and report back.

Mr. Foulds: I refer the minister to the hotline number, which is 963-2268. I also have a supplementary. Can the minister provide his and the Ministry of Labour's interpretation for the following situation? As the minister is aware, some part-time workers have contracts which provide a percentage of their wages in lieu of benefits, while others have contracts which provide a fixed dollar sum in lieu of benefits. Can the minister explain which of these part-time workers are the harder hit by the legislation and can he explain why that is in each case?

Hon. Mr. Ramsay: No, I cannot at this time.

Mr. Foulds: I can tell the minister it is the part-time workers with the fixed sum that probably are the harder hit by the legislation.

Can he then tell me if he was accurately quoted as saying he is philosophically opposed to the legislation and opposed to the legislation in principle? If that is the case, how can he continue to support legislation that is not only wrong in principle, as he acknowledged, but also has these enormous internal inequities when it comes to labour relations negotiations?

Hon. Mr. Ramsay: I was accurately quoted when I stated I was philosophically opposed to

aspects of the restraint program, particularly those relative to collective bargaining. I would have been opposed if I had not been Minister of Labour. My present portfolio has nothing to do with that particular philosophy.

I said at the same time I thought from my conversations with many of my colleagues on this side of the House that they also were philosophically opposed to any disruption in the collective bargaining system. I also indicated many, if not most, over here were uncomfortable with interference in the work place.

Finally, I said these are not normal times, as the Treasurer said a little earlier. These are unique times, devastating times. The leader of the official opposition outlined some very alarming figures, figures that come across my desk each and every day. I happen to get those figures a little bit in advance of their actual publication. It is a very serious, devastating situation in this province. Therefore we have to take drastic measures at times like this, and that is what this government is doing.

GOVERNMENT ADVERTISING

Mr. Bradley: Mr. Speaker I have a question to the Treasurer on his \$40-million advertising budget, a little more specific than the one on Friday.

The minister will recall the advertising-communications budget for his government has gone up some 360 per cent in five years and now his government is the sixth largest advertiser in Canada, according to Media Measurement Services. Five years ago it was in 13th place, so it has moved up in at least one category in this country.

Considering he spent all summer apparently coming forward with a so-called economic package, if he has specifics on how he is going to limit wages, salaries and benefits for public employees in Ontario, why does he not have specifics on how he is cutting his advertising budget drastically from \$40 million to perhaps a quarter of that? What are the specifics of his cuts? Why has he not announced those specifics so it would be easier for the people of Ontario to accept the program he has imposed upon them?

Hon. F. S. Miller: Mr. Speaker, the \$40-million figure, which I believe he got from my staff, included all the publications of government as well as advertising per se.

Mr. Bradley: With the minister's photograph in them.

Hon. F. S. Miller: Would he really deny the

people of his riding the information in a lot of those booklets, roughly \$15 million worth of booklets a year? I wonder if his riding office does not use those. Does it not use information on all of the programs of government where his staff needs detailed information?

I refer to information and brochures on senior citizen tax credits, the renter-buy program, health information, beer and liquor control board advertising that really cuts down on preventive health care.

A good deal of the increase in the advertising the last while—I think \$9 million of it—was due to the lottery fund which in effect is really a new business. Some of the advertising, some \$3 million to \$4 million of it, is for direct job-generating advertising like the tourism material. Does the member really believe that governments do not have a responsibility for information services?

Knowing how often I get asked from his benches for information, and I am sure other ministers are asked as well, I would argue the member knows that big government today has a job contacting people. He knows the media in all forms—print and otherwise—are necessary to do that job.

Given all that, we are working through the Chairman of Management Board (Mr. McCague) to find ways of curtailing it. Obviously if incomes are not up to expectations and jobs are hard to find, we have a responsibility to cut spending too, and we are doing it.

2:40 p.m.

Mr. Bradley: I have a specific case for the Treasurer, since he is not going to provide the specifics. Is he prepared to tell the House today that as a restraint measure he is prepared to cancel the \$850,000 campaign which is supposedly designed to get people out to vote in municipal elections and leave that job up to the candidates and the media, instead of squandering the taxpayers' money on something that is not directly useful but is insulting the intelligence of the people of Ontario by telling them they should get out and vote when they know they should get out and vote?

Hon. F. S. Miller: I do not need to try to justify that particular campaign. My colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) can do that. He points out that a very low percentage of the people choose the municipal governments and school boards of this province, as opposed to a large percentage who vote for us and for the federal government. He

felt there was some obligation to make them more aware of the importance of voting. The fact remains that that particular one is already committed for the next two weeks and then it is over.

Mr. Cooke: Mr. Speaker, I am sure we all agree that these are extraordinary times and that restraint in some areas of government is important. This is an example, I think most members of the Legislature would agree, where restraint could occur.

Can the Treasurer explain why inside of two days all these brochures and fancy advertising campaigns have come to the members of the Legislature—one saying, “You decide;” one on Trillium; one for Agriculture Week; and one to try to get people to take advantage of the \$8,000 amount, \$5,000 from the feds and \$3,000 from this government.

This advertising program cost \$1 million, which would have provided 300 families with interest rate relief. Is it not about time that even in a symbolic way this government cut back on some of these areas and put that money into aid to people, whether it be in welfare, interest rate relief or job creation? Those are areas that matter. Why does the government not get with it?

Hon. F. S. Miller: That I would argue, Mr. Speaker, is exactly what that \$8,000 flyer was doing. Instead of having people out of work, we are trying to get houses built right now to employ people. It is working. I am told that last month new house sales in the Metro area went up by 50 per cent. They had their best month's sales in very many months. Just like other programs where there are jobs behind them, we feel we have to do some advertising.

SKF CANADA LTD.

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Labour. It concerns the latest report by Dr. Paul Grayson on the SKF workers. It is a report that is being funded partly through his ministry, the federal ministry and another agency, the Social Science and Humanities Research Council.

As the minister knows, this has been following what happened to the 350 workers in the SKF plant in my riding. Most of those who worked there are about 49 years of age and had worked there for 18 years. That plant had been in my riding for 26 years before it shut down. It started shutting down last September, a year ago, and finished in December.

Is the minister aware that 64 per cent of those

men are still unemployed as of August 3? They will be facing the humiliation of welfare this winter if they do not get jobs. The numbers of employed have increased by less than four per cent since March. Nine out of 10 of those unemployed workers are willing to take jobs at a lower skill level, and 60 per cent of the unemployed say the shutdown has cost them over \$10,000. One out of four has already spent 50 per cent of his savings.

Is the minister aware that only 6.5 per cent got jobs through government help and only 4.2 per cent have been retrained? Does the minister think it is time to rethink his position on plant closure justification and tell his cabinet colleagues that this is the time to find jobs for people, to retrain people and not to fight inflation?

Hon. Mr. Ramsay: Mr. Speaker, I was aware of the high percentage. I was not aware of the actual figure of 64 per cent. The member also referred to 6.5 per cent, I believe it was, who had found jobs through government assistance and that only 4.2 per cent had been retrained by government. I do not want to quarrel with the member, but it was my understanding that both of those figures were considerably higher than that. I will certainly check on them accordingly.

Mr. R. F. Johnston: Those are Dr. Grayson's figures that I have received.

Is the minister aware that at the same time as this has been going on, the invoicing from the Scarborough sales division of SKF has risen seven per cent this year and that sales, in which we are grouped with South Africa and India, have risen 25 per cent according to the last annual report of SKF?

At the same time, 42 per cent of the workers in my riding have said this has changed their entire lives, 75 per cent of the spouses have likened the stress which they are undergoing to divorce or the loss of a loved one through death, and one in three questioned whether life is worth while now. There has also been a 100 per cent increase in the number of spouses reporting ill health in the last six months.

Does the minister not understand that it is his duty to find these people work? That plant should never have been allowed to close in the first place, for us to just import goods and ball-bearings from SKF. Jobs are the issue. Will the minister please get up in the House and say jobs are the issue, not inflation? He should not be punishing the public sector but should be helping these people who are in desperate need and do not deserve to go on welfare this winter.

Hon. Mr. Ramsay: I have no problem at all in indicating that job creation is extremely important and that has been the policy of this government from day one.

Mr. Wrye: Mr. Speaker, since the minister seems reluctant to offer any kind of program to stop the shutdowns of plants, could he at least commit himself and his government to a program of providing assistance where plants are shutting down?

Given the situation at SKF, which has been repeated at so many other plants, there should be proper retraining and job adjustment committees set up by the employer. If employers do not wish to set them up, they should be forced to provide money to the government to set up proper committees to make sure that workers who are thrown out of jobs are at least given the opportunity to find new employment, even if that means proper retraining.

Hon. Mr. Ramsay: Mr. Speaker, there are few bright spots in the Ministry of Labour these days. However, one that is functioning extremely well, albeit functioning in an atmosphere that is very depressing, is the plant closure and employment adjustment committee. That particular branch has many success stories to tell and has done a good job in this respect under very trying conditions.

ONTARIO STATUS OF WOMEN COUNCIL

Mr. Wrye: Mr. Speaker, perhaps I could get the Provincial Secretary for Social Development to resume her seat, since my question is to her.

I would like to quote to the minister from a document prepared by the Ontario Status of Women Council in June of this year, entitled *Recommendations for new Government Structures for Women*. It states very clearly, "Given the complexity, scope and numerical representation of women in Ontario society, it is clear that Ontario should expand the role of council chairperson to a full-time position."

I would like to remind the minister that this was the first recommendation from the council in its report to the government. Why would the minister not have seen the issues affecting women in this province as important enough to follow this recommendation as put forward by her own status of women council, whose mandate is to advise her on matters affecting women?

Hon. Mrs. Birch: Mr. Speaker, through you to the honourable member, I have had discussions

with the status of women council as recently as this past week. They are in full accord that there is further discussion to be considered and they are in perfect agreement that we will continue to consider that particular recommendation.

2:50 p.m.

Mr. Wrye: Now that the provincial secretary has considered that recommendation to death, which seems to be a rather simple one that does not need months of consideration, let me remind her of the second recommendation from that very same report, which states, "Women's organizations and other groups should be offered the opportunity to participate in the selection process for appointments to councils."

Would the minister please tell me which groups, if any, participated in the selection process that resulted in the choice of Sally Barnes, the former press secretary to the Premier (Mr. Davis), as chairperson of the council; and which groups, if any, were involved in the selection of N. John Adams, a former Tory candidate in Scarborough West, as a member of that council?

Hon. Mrs. Birch: It still remains the Premier's prerogative to decide on who will be a chairman of any of the advisory councils. I have always encouraged the members of the councils that report to me to make recommendations, which has happened each year as it comes time for new appointments, and they have always been considered. I have not heard any complaints from any of the councils in this regard—none whatsoever.

Mr. Speaker: I am not sure whether that was a true supplementary or not, but I will now hear the member for Beaches-Woodbine with a supplementary.

Mr. Wrye: On a point of order, Mr. Speaker: The minister did not answer the question. The question was, which ones participated in the selection—

Mr. Speaker: Order.

Ms. Bryden: Mr. Speaker, I would like to ask the provincial secretary if she has yet met with the new director of the women's bureau and its members to discuss the agenda of urgent matters that the council had brought forward in 1980, including affirmative action and equal pay for work of equal value?

Hon. Mrs. Birch: I met with the council, Mr. Speaker, and I have left at their discretion which direction they will go. They are an

advisory council. They advise the government, and I will await their recommendation.

LANDLORD AND TENANT DISPUTES

Mr. Philip: Mr. Speaker, I have a question to the Minister of Consumer and Commercial Relations. Is the minister aware of a situation in London, Ontario, where a landlord, Corporate Image Development Ltd., which is asking for 38 per cent rent increases, is harassing members of a tenants' association for attempting to hold back rents because their heat and water have been off for several weeks since that landlord has not paid his bills?

Is the minister aware of the case at 2181 Navaho Drive in Ottawa, where the landlord has hired private investigators to take pictures of people attending a tenants' meeting, and these people are being served with notices of eviction?

Can he inform the House when he will amend the landlord and tenant and rent review acts specifically to prohibit and punish those landlords who involve themselves in this kind of activity?

Hon. Mr. Elgie: Mr. Speaker, no, I am not aware of the particular incident the member refers to in London, nor am I particularly aware of the landlord and tenant issues he has raised. I am sure he will feel free to raise this matter with the Attorney General (Mr. McMurtry) when he is in the House, because the landlord and tenant legislation comes under his jurisdiction.

Mr. Philip: As the minister responsible for rent review and responsible for working with the Attorney General to bring in amendments to the Residential Tenancies Act, for which we have been waiting for so long since part of it was thrown out of court, would the minister not agree, as the former Minister of Labour with some knowledge about the Labour Relations Act, that although the Residential Tenancies Act, for which he is responsible, gives tenants the right to organize tenants' associations, it does not make it a specific offence to harass tenants, as the Labour Relations Act does under sections 56 and 58?

Hon. Mr. Elgie: No. As the member has pointed out, the particular sections of the rent review legislation that dealt with landlord and tenant relations were struck down by the court, and the Attorney General and I will be having discussions about them. Until that time, the landlord and tenant act as it exists now prevails.

Ms. Copps: Mr. Speaker, has the minister received a petition that he was sent last month

by tenants in several buildings in Hamilton, who have labelled the commissioner of rent review there merely an agent or an arm of the landlords? If he has received that petition, what does he plan to do about it?

Hon. Mr. Elgie: Mr. Speaker, I have received that petition. If those people have reason to believe that is true, and I do not agree with them, and if the member agrees with them, then she should go outside and say it and accuse commissioner of acting improperly, but she should not say it in here with the protection she gets in this House.

Ms. Copps: Mr. Speaker, on a point of order: I have already written to the minister in the past about this commissioner with no success.

ASSISTANCE TO FARMERS

Mr. Riddell: Mr. Speaker, a question to the Minister of Agriculture and Food: If he recalls the budget speech of 1981, the throne speech of 1982 and the budget speech of the same year, he will know that the farmers of Ontario were promised; first, a young farmer financial aid program; and second, full exemption from property taxation for their land. What is the current status of these programs and when can the farmers expect them to be introduced?

Hon. Mr. Timbrell: Mr. Speaker, I will deal with them in reverse order. With respect to the property taxation matter, the member will know that in July of this year my colleague the Treasurer (Mr. F. S. Miller) wrote to the Ontario Federation of Agriculture, the municipal association and to a number of interested organizations to indicate that for several reasons the taxation matter had been deferred.

Since that time, the federation of agriculture made representations to the Treasurer, to myself, and I believe to most of the members of cabinet if not all, suggesting that they would like the matter reconsidered. It is being reconsidered and the results of that reconsideration I hope will be conveyed to them and made public very shortly.

On the first matter, this was referred to in the March 9, 1982, throne speech and in the May 13 budget. Since that time the ministry has formulated its proposals which have been submitted and are under consideration.

As I have indicated frankly and publicly to a number of farm organizations around the province, given the fact the province's revenues have declined as much as they have from the original estimates in the Treasurer's last budget, and

given the pressures of public spending in all respects, including for purposes of agricultural programs, that proposal, along with proposals of other ministries for new programs, is in abatement until such time as we see what is happening to the province's revenues.

One thing is even more important to the farmers, I think, because countless farmers have said to me, "We would like to see a program of assistance to beginning farmers but there is a very basic problem and that is on the price side." That is why we have been devoting so much of our time and energy to promoting a better national tripartite stabilization program.

On that, I have asked members for their assistance to convince the federal minister to finally take a position one way or the other. The financial aid program will undoubtedly be of assistance to some beginning farmers, but if they are to have a chance we have to have a much better stabilization program.

Mr. Riddell: The minister has led me into my supplementary. He talked about putting pressure on the federal government for a tripartite national stabilization program. Does he recall the federal minister offering the provinces that program four years ago? It received no response from this ministry. That was four years ago.

In view of the fact that the Ontario farm adjustment assistance program was established only as a bridging mechanism while gambling that the financial situation in the agricultural industry would improve, and in view of the dismal prices which are forecast—I outlined those prices when I asked the question a week or so ago—what plans does the minister intend to introduce as a follow-up to his program this year? Will he be extending that program beyond this year and will it be expanded to offer the interest subsidy on new lines of credit and deferred interest?

Hon. Mr. Timbrell: First, let me remind my friend that in 1978 when the Minister of Agriculture for Canada made his offer, the government of Ontario supported him. The government of Ontario still supports the development of a better national tripartite stabilization program.

Mr. Riddell: Not according to your federal counterpart.

Hon. Mr. Timbrell: Quite frankly, I do not think it particularly matters to any farmer in the province what happened four years ago, it does not matter. What matters is what is happening in 1982. The government of Ontario is committed to developing a three-way stabilization pro-

gram, and there is wide support for it. The Ontario and Canadian Federations of Agriculture, the Canadian and Ontario Cattlemen's Association, the Canadian and Ontario pork producers, the Grocery Products Manufacturers of Canada: all support a three-way stabilization program. Admittedly such a program was not there in 1978, but this government did support it.

3 p.m.

For the federal minister and for this member to stand on the fact that the proposal did not get support in 1978 as a reason not to pursue it in 1982 is absolutely ridiculous.

Hon. Mr. Pope: He ought to be ashamed.

Mr. Riddell: Let's talk about the farm assistance program, something you can do something about.

Mr. Speaker: Order.

Hon. Mr. Timbrell: I am just about to. All the interjection suggests is that perhaps I am getting too close to a sore point and the member does not want to listen.

In 1982 the farm adjustment assistance program has been the most successful program of its kind in any jurisdiction in the country; far more successful by miles than the meagre, weak efforts of the Farm Credit Corporation in Ottawa. I would remind the member that his party promised \$500 million more credit in the Farm Credit Corporation by June. It is now October and it is not there.

Our program has approved assistance to more than 2,700 individual farmers in the province. Under option B, which involves interest rate rebates, we have approved rebates on outstanding farm credit in excess of \$500 million. Now that is help; that is a meaningful program, a constructive program.

I think I indicated in the House last week—certainly I did on a number of occasions to farm organizations around the province—we are evaluating the success of the program in 1982 and formulating some proposals to put to cabinet for 1983.

Mr. Swart: Mr. Speaker, I would like to pursue the minister's answer a little further relative to the exemption from taxation of farm land. He will recall I wrote an open letter to him on this matter a couple of weeks ago, to which I have not yet received a reply.

Is the minister not aware of the injustice of the present system, which provides tremendous tax credits to wealthy people who have moved out on the land and get the exemption on their

house because they produce a small amount of farm produce? Would he not think it would be advantageous in these tough times to take that away from them and give it to the farmers who need the help? Would it not be better to give it to those farmers rather than the wealthy home owners who live in \$250,000 homes and produce a very small amount of agricultural produce?

Second, is the minister prepared to improve his own supplementary stabilization program if this tripartite stabilization does not come to fruition in the very near future?

Hon. Mr. Timbrell: Mr. Speaker, to deal with the first part, we will certainly take the member's arguments into consideration. These arguments are not new. They are very similar to arguments that have been made on this side of the House when the ideas were originally proposed. As I indicated, at the request of the federation we are reconsidering the matter.

On the second part, one of the things that could well be a problem with the member's proposal has been the stated intention of the federal government on a number of occasions in the past to disallow provincial stabilization payments where they are in the form of a topping-up of the Agricultural Stabilization Act payments at 90 per cent.

What I am trying to do, in co-operation with several other provinces, is to bring this issue to a head. It now looks as if we will be meeting in Regina, I hope early in November. The Saskatchewan Minister of Agriculture, Mr. Berntson, has been extremely co-operative with me and my staff in trying to pull a meeting together to bring this issue to a head.

Frankly, I think it is really inappropriate, totally unproductive and of no assistance whatsoever to the farmers of this province to have Mr. Whelan and I or anybody else pointing fingers back and forth. The matter has to be brought to a head. We must know the position of the federal government. If its position is that it wants to continue to press for supply management in the red meat sector, for instance, let it say so. If the federal government wants all the credit for introducing improved stabilization, as it wants credit for everything else, let it have it. I do not care. It can have all the plaudits as long as we get on with the job.

STEPHANIE KUSAN CASE

Mr. Martel: Mr. Speaker, I have a question of the Minister of Health. The minister will be aware from press reports and from the five letters I have written to him since May of the

plight of 20-year-old Stephanie Kusan of Sudbury, who is suffering from a massive malignant tumour in the right side of her face.

He will be further aware that she has undergone massive doses of chemotherapy and that she underwent extensive radiation in 1981 at Princess Margaret Hospital. They told her she had approximately a month to a year to live and they wanted to undertake radical surgery to remove an eye, a cheekbone and the upper jaw. The minister will be further aware that the father took her to see Dr. Burzynski in Houston and that in the four months of the treatment to date the tumour has been reduced to approximately 20 per cent of its size.

In view of the fact that the father has put a second mortgage on his home, spent all of his savings and received \$5,000 assistance via a collection in Sudbury to pay for some of the treatment, will the minister suggest to OHIP that it is time it provides some financial assistance to help this father who is endeavouring to save his daughter's life?

Hon. Mr. Grossman: Mr. Speaker, I find this case and some others like it particularly troubling, leaving aside the obvious tragic nature of the disease. We are in a position where obviously the young lady has received some assistance from some sources. I am informed that she has improved more than many people had anticipated was possible.

The situation the ministry finds itself in is that all of the medical authorities who are charged with making medical judgements, as opposed to the Ministry of Health and OHIP, which are not, to this date seem to be somewhat less than convinced that this particular treatment is an entirely valid one. There are people from Ontario who are getting treatment for a variety of diseases by various people every day of the year at various points throughout the world. OHIP obviously should only be paying for those procedures that are medically approved by proper authorities in Canada. To this date neither the National Cancer Institute of Canada nor the Ontario Cancer Institute recognizes this treatment as one that should be medically sustainable in this province or paid for out of OHIP because they are unconvinced of its efficacy.

I can only assure the member and the family that we are continuing to watch this very carefully. If the point arrives at which those two institutes, as well as other people who are in a position to make medical judgements, but mainly those institutes, do certify this particular treat-

ment, then OHIP will pay all of the costs in accordance with the normal formula on a retroactive basis.

Mr. Martel: Mr. Speaker, is the minister aware of the two medical reports from her attending physician in Sudbury, one of which I have submitted and the other of which I just received on Saturday? One of them says: There is no question in my mind that Stephanie is very much improved. Her CT scan is very much improved. She is able to breathe through the right nostril now. She has no pain over the right maxillary sinus, and the disease does appear to have regressed considerably since she started her Antineoplastin serum."

In a letter I just received, dated September 16, Dr. Doug Prince says: "The new X-rays show a definite diminution in the size of the tumour in her maxillary sinus on the right side, and the tumour now appears to be confined to the medial wall of the right maxillary sinus. The relative size in the diminution of the tumour would appear to be of the order of 20 to 25 per cent."

Is the minister further aware that Blue Cross and Blue Shield now pay for treatment in the United States for these patients? Is he aware of the report of Dr. Walde, a specialist in Sault Ste. Marie, who supports the treatment? Finally, I ask the minister if he can comment on Dr. Harold Fardner, a professor of medicine at Wayne State University medical school in Detroit, Michigan, who says he is convinced that Burzynski's treatment is a medical breakthrough. He says, "There is scientific validity to what he is doing, though all the evidence is not in yet."

3:10 p.m.

I would like to send to the minister the three computerized axial tomography scans that were done showing the reduction in the size of the tumor in the nasal passage. Perhaps he could have his staff look at them and then return them to me. I will explain them to him to the best of my knowledge and ask that he have his medical staff review them.

With regard to the contribution of funds, if the minister cannot do it through an OHIP payment, could it not be funded on an experimental basis in his research against cancer, using this case as one of the cases for which we are providing funding in order to determine if it would be beneficial or not to all those people who are suffering from cancer?

Hon. Mr. Grossman: I understand why the member is raising this valid question. I must say

I have a great degree of difficulty in discussing the particulars of any person's situation even with his consent and I do not purport to do that because I am not a doctor.

What is the position in which the ministry finds itself? The recognized authorities here, which are recognized as among the best, if not the best, in the world, the National Cancer Institute of Canada and the Ontario Cancer Institute, do not agree with the three, four or five opinions the family has obtained. The American National Cancer Institute does not agree either. All of the major cancer authorities charged with responsibility by governments to make these judgements do not think this is an efficacious treatment.

Obviously I share with the honourable member the desire to help a family in such a terrible crisis. That is an obvious human response. Any member of this assembly would share that. The reality is that there is a plethora of very costly treatments sustained and put forward by a variety of practitioners throughout the world. They would equally qualify if we did not have the benefit of some outside authority, such as the cancer institutes, which are highly recognized and competent to make these judgements.

No one can accuse the American, Canadian or Ontario cancer institutes of being unsympathetic, uncaring or not bending in every way possible to assist the tragic sufferers of those diseases. Yet those are the people who have passed this judgement, having perused the situation in some depth and with some concern. That puts me in a difficult position, but I think the only tenable thing to do is follow the advice of the recognized experts all over North America. The moment that advice indicates there ought to be a different direction followed, the costs will be paid retroactively in full. I cannot give any more assistance than that. I wish I could.

Mr. Bradley: Supplementary, Mr. Speaker: I would like to take up the last comment because I had a next-door neighbour whose mother went through this process, and it cost the family about \$15,000.

The minister said there was a possibility of retroactive payments if it were determined that this was a useful treatment. How far back would he go with those retroactive payments? How are we going to determine whether at the time the treatment took place it was a reasonable treatment in the opinion of others? In other words, I am saying the treatment could be modified and then considered acceptable; yet when it was

administered originally it may not have been considered acceptable even in retrospect.

Hon. Mr. Grossman: That is a very fair question and it reflects the difficulty in these cases. If the member wants to put that particular case to us, we will certainly review it and see if there is an option to be of assistance there.

MIDDLESEX-LONDON DISTRICT MENTAL HEALTH UNIT

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Health. Given the concern we all have for restraint because of high interest rates, unemployment and all those other factors, can the minister tell us how the Middlesex-London District Mental Health Unit could justify advertising for new and separate accommodations, which if they were to be owned outright would cost somewhere in the neighbourhood of \$6 million or \$7 million and if they were built on a leaseback/buy basis would be equally expensive; when in fact these new facilities could have been part of the new Victoria-Westminster complex.

Hon. Mr. Grossman: As the member knows, we provide 75 per cent funding to the health units. The units obviously have their own boards and they have to make certain decisions in regard to accommodation. Had the health unit desired that kind of accommodation and put that proposition to us, we would have looked at it. I think it is quite a different proposition to suggest we should run the health units to the degree the member is suggesting.

If it is the view of the health unit, the locally elected officials who serve on it and appoint people to it, that they desire a move into the new Vic premises, they should indicate that to the London Vic and to us immediately and we will certainly see what we can do to influence that change. I must say I have not heard that sentiment expressed to me by the various people I have spoken to from the health unit, some of whom I have met myself.

Mr. Van Horne: By way of supplementary, the minister might be interested to know I spoke at noon hour today with the secretary-treasurer, and a private proposal to do just what I have suggested has come in to his office, so the possibility and potential are there. I also got the distinct impression, in discussing this with him, that the unit would not object to some intervention and some direction from the Ministry of Health, so perhaps the minister might consider doing that. Would the minister report back here

to me what results come from that kind of discussion?

Hon. Mr. Grossman: Yes, I certainly would. Let me make it clear that those people who suggest they would not mind intervention from the ministry, of course, invite the ministry to intervene instead of making some of these decisions themselves. Then when the ministry intervenes, the next thing we know is that a local health unit is saying the ministry does not respect its autonomy. I would not be surprised if this has been reflected in some of the hearings on the Health Protection Act. I have to say to the health units they should not be taking the position that they will lie back and hope I will intervene. I hope the health unit will take the initiative and indicate to us what its preference is.

Mr. Van Horne: Do not twist my words.

Hon. Mr. Grossman: Take a supplementary and let us clear it up.

Mr. Speaker: The time for oral questions has expired.

PETITIONS

LANDLORD AND TENANT DISPUTES

Ms. Copps: Mr. Speaker, I have a petition from the tenants of 1950 Main Street West and 2000 Main Street West requesting that the Ministry of Consumer and Commercial Relations investigate the display of immature nonsense witnessed at the so-called nonbiased meeting of September 1, 1981; and there is a commissioner named in this investigation.

There are more than 80 signatures on this petition, and I would like to present it to the minister, bearing in mind that he might note the third paragraph of the covering letter, which states, "Mr. Preston's performance is a disgrace to your entire department and makes one wonder if you are running a buyer's market instead of a nonpartial commission representing both tenants and owners alike."

This is the first petition which, I might add, went to the minister more than two weeks ago. The second petition, dated September 10, also includes almost 100 names from the tenants' association at 851 Queenston Road, in which the tenants at this particular building cite another commissioner and ask for the removal of the said commissioner because he has acted in such a way as to bias the supposed impartiality of the Residential Tenancy Commission in Hamilton.

I would ask the minister to consider both those petitions respectfully and to take action

with respect to the investigation of both officers of the government.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that Mr. J. A. Reed and Mr. Peterson exchange places in the order of precedence for private members' public business.

Motion agreed to.

INTRODUCTION OF BILL

CITY OF SARNIA FOUNDATION ACT

Mr. Brandt moved, seconded by Mr. Gillies, first reading of Bill Pr35, An Act to incorporate the City of Sarnia Foundation.

Motion agreed to.

3:20 p.m.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Boudria: Mr. Speaker, last Friday, when we were talking about Bill 179, I mentioned some of the things I felt were missing in that legislation and some of the concerns I have. In order for this bill to be seen as equitable it should illustrate not only restraint in the public sector in so far as wages of public servants are concerned, but should indicate very clearly the government's own intentions to redress some of the inequities that already exist in this province.

I was reading an article from the Ottawa Citizen at that time which was entitled, "Bill Davis, Party Man." It was about the 1984 party the Premier (Mr. Davis) of this province wishes to have and how he is going to spend a considerable amount of money celebrating a year that we are not sure is a very significant one in the history of this province, other than the fact that it happens to be the year the southern boundary of this province was surveyed. I am sure other years have had more important things that could be celebrated. If we have extra money, given the economic circumstances we are in, I am sure we can do better things with that money.

In discussing Bill 179 and its impact we should

go back a bit to some of the things that happened earlier this year. The budget that was introduced was very mean and cruel towards the residents of this province. It imposed taxes on food; and not just taxes on luxury food items. An apple bought at school which a child would eat at lunch is certainly not what I would call a luxury. I am sure the member for Stormont-Dundas-Glengarry (Mr. Villeneuve) will agree with me when I say that. Such things are not luxury items. Those are very basic, good health necessities. The taxing of certain hygiene products, especially the feminine hygiene products, was outrightly despicable in my view.

The increased costs that budget imposed on some of our municipalities tie in very well with Bill 179. We know this government has clearly enunciated that not only are the public servants at the municipal and provincial levels expected to show restraint, but the municipalities themselves are not to expect any more than roughly a five per cent increase in their subsidies from the provincial government.

How are the municipalities going to live with this? The member for Waterloo North (Mr. Epp) in his speech last week said it quite well when he indicated that this government should not only commit itself to increasing its share of the welfare cheques, which has to be done as the amount that people receive is clearly insufficient, but the government also has to tell the municipalities of this province that it is willing not only to contribute their 30 per cent of the total that it costs for providing welfare, but that the portion that the municipalities have to pay, the 20 per cent they pay for welfare, should be covered by an increased grant from the province to the municipalities, otherwise welfare will become an increasing municipal burden. None of us wants that but we see it becoming reality. We only have to remember what happened 50 years ago when welfare was a municipal burden and brought about the downfall of many municipalities of this province. That is certainly not a situation we want to see again.

In my own constituency, the town of Hawkesbury may lose 20 per cent of all its assessment on December 1 with the closure of the CIP plant, and 17 per cent of its work force will be out of jobs. With a shrinking tax base, a shrinking amount of dollars to pay municipal taxes and an increasing welfare roll simultaneously, it does not take very long to calculate that municipalities such as Hawkesbury, and I am sure there are many others like it across this province, will not be able to make ends meet

with a five per cent increase from the province. They will have to pass that on to the property taxpayers, and that is a most unfair method of taxation.

As we have discussed earlier, in order for Bill 179 to be equitable the province should have enunciated at the time of the introduction of the bill some of the things it was going to do with the money that it would save, as well as the cost-cutting measures it would introduce to cut down on the government funds it has itself been wasting over the past few years. One of the things that must be done with that money is, as I have already said, to increase the payments to our general welfare assistance recipients.

In response to a newsletter which I sent to my constituents recently, just today I received a reply which illustrates well how welfare recipients are suffering in this province. I will read it to you, Mr. Speaker. I am sure you will be moved by the text of this letter, which is very brief.

"Le gouvernement ne ménage aucun argent avec ce système-là pour ce qui est du nouveau système du bien-être social. Ça ne tient pas debout. Je suis une femme seule de 51 ans, incapable de travailler et mon premier chèque du mois est de \$181.50 alors que je paie \$180 de loyer."

Alors comme vous voyez, M. le président, il ne reste à cette personne que \$1.50 pour deux semaines. Comment peut-on vivre une journée avec \$1.50? Inutile de dire que c'est impossible de vivre pour deux semaines. Et je continue de lire le texte de la lettre.

"Il me reste \$1.50 pour 15 jours alors que nous sommes déjà sans sous depuis le 16 du mois précédent, en plus de nous faire dépenser l'enveloppe et le timbre à tous les mois."

Alors vous voyez, M. le président, que cette personne reçoit \$181.50 au début du mois, et elle doit prendre \$180 pour payer son loyer, et à la mi-mois il lui reste quelque \$100 pour payer toutes les dépenses pour le restant du mois. Alors comment est-ce qu'une personne peut faire pour vivre avec ça? C'est presque impossible.

Le député de Scarborough West lui-même a tenté de vivre un mois dans ces circonstances et il a trouvé que c'était impossible à faire. Le député de Scarborough West n'était peut-être pas familier avec la façon de restreindre ses dépenses étant donné qu'il ne vit pas depuis longue date sous un système comme celui-là. Mais, étant donné les circonstances, qu'il a vécu seulement un mois sur ce montant d'argent, il s'est vu pris sans argent lui aussi et je suis

persuadé que si le ministre des Affaires communautaires et sociales avait tenté lui-même de vivre pendant un mois dans ces circonstances, il aurait été impossible pour lui aussi de joindre les deux bouts.

3:30.p.m.

As I have just finished saying, our recipients of general welfare assistance are in such dire straits right now that it is one of the saddest things to see in Ontario, if not the worst cruelty the government of this province has ever imposed on its people. While all this is going on, while the government has increased all these taxes in the budget and while welfare recipients have not seen their benefits increased, let me tell members what we are also seeing as a waste of government funds.

I have here an article that talks about an expenditure of some \$50,000 for a lecturer, a computer expert, who came to discuss certain matters with officials of the government. That expert earned \$50,000 for two days. He does not have to live for two weeks with the \$1.51 that this welfare recipient was faced with; \$1.51 is about what he has to spend every second of the day. How can these kinds of injustices give credibility to this program? It is very difficult to understand.

For Bill 179 to be fair and equitable, more has to be done. The general principle of the bill is sound but on its own, without the other things around it, it is very difficult legislation for the people of Ontario to accept.

Let me give a few more examples of some of the thrifty spending of this government.

The Deputy Speaker: The member is no doubt making his way to an aspect of Bill 179.

Mr. Boudria: If you will check the record, Mr. Speaker, I believe you will find that I have mentioned Bill 179 four or five times in the last four or five sentences.

The Deputy Speaker: No, you have not.

Mr. Boudria: I am sure you will recall it. And I did it, I believe, in both official languages. I am sure you will be able to recognize that, Mr. Speaker.

As I was saying, for Bill 179 to be fair and equitable, here are some of the things that should be changed. I am sure you will appreciate the direct link, Mr. Speaker.

We all remember that the government of this province, to protect the \$550,000 loan it had made in northern Ontario, saw itself become the proud owner of a certain establishment known as Minaki Lodge. Since then, it has spent some

\$23.5 million fixing the \$550,000 Minaki Lodge. We now hear that Minaki Lodge will open shortly, and guess who is going to run it? The buy-Canadian minister who was here a while ago should be here to listen to this: a US hotel chain called Radisson Hotels is going to run Minaki Lodge.

Mr. G. I. Miller: Is that an American firm?

Mr. Boudria: It definitely is an American firm. One would think there was no potential to run it here in this country—not that the expenditure should ever have been made; it is probably the worst waste of government funds that has ever been perpetrated.

The last episode in the continuing saga of Minaki is the construction of a \$13-million road to link the \$550,000 hotel that now costs \$23.5 million. To put all that together, this is a logic this government has used in the past.

We will all remember—and I am sure you will as well, Mr. Speaker—the \$1.9 million that was spent during the 1970s on such things as public opinion polls and the \$4.7 million with which we were told in the very subliminal advertisements to “Preserve it, conserve it.”

The resemblance between the P and the C in “Preserve it, conserve it” and the initials of the Progressive Conservative Party is, of course, a mere coincidence. Everybody has always said the fact that they were said in this order was pure coincidence. There were thousands and thousands of words in the dictionary, but the two that rhymed with “progressive” and “conservative” had to be used in those particular advertisements.

Of course, that is all paid for by you and me, Mr. Speaker, and by the poor people of this province. These are the same poor people who are attacked by this government in the increases in the budget we have seen. The same people who will have their wages restrained in Bill 179 will pay for this kind of expenditure.

The Ministry of the Environment spent \$500,000 telling us that our polluted lakes were clean. The Ministry of Health, which complains about the shortage of funds, had an advertising budget of \$1.5 million last year; it took out enormous newspaper ads to tell us, “Happy Hospital Day.”

For the government’s general advertisement programs—and I am glad the Treasurer (Mr. F. S. Miller) is here, because he is familiar with the way some of these funds have been spent—I am told the expenditures went up from \$12 million the previous year to \$24 million last year. That was used for such worthwhile ventures as giant billboards on Yonge Street showing luscious

strawberries—in February, just before an election—and telling us, “Good things grow in Ontario.”

I admit I come from another part of this province and I am not too familiar with agriculture on Yonge Street, but I am sure strawberries do not grow there in February any more than they do in Prescott-Russell.

Mr. McGuigan: They grow very early in my riding but not that early.

Mr. Boudria: The member for Kent-Elgin tells me they grow very early in his riding but not quite that early.

The government has announced it is selling the jet. I am sad to see the member for Cochrane North (Mr. Piché), who was so madly in love with the jet, is no longer here. He left the chamber temporarily and that is unfortunate, because I would have liked to have expressed my disagreement with what he said last week about all the virtues and necessities of having what he called an air ambulance, although it probably would not even have had a stretcher in it. Anyway, that ambulance of the government now has been traded for two water bombers to extinguish the steam and hot air around Queen’s Park.

The people who have to live with Bill 179 now—either those who see their salaries restrained or the people who suffered from the Treasurer’s recent budget, which had large tax increases for them—are faced with paying for those kinds of expenditures.

I have an article here from the *Globe and Mail* of Saturday, September 25. This article talks about the Tories having started their own cuts. I will just summarize one or two things for members, because I am sure they will want to hear this. Unemployment is one of the most serious problems we have in this province right now, as well as the problem of helping our people at the bottom end of the salary scale. Let me detail very briefly what the increase in expenditures are for this year.

The increased budget amount for the illustrious Office of the Assembly—the members of this Legislature, who have to deal with constituents on a daily basis—is minus eight per cent. Now that is restraint, I have to admit. The Ministry of Industry and Trade, which has been set up to create things like new employment, has an increase of two per cent.

The Ministry of Municipal Affairs and Housing, which provides low-cost housing in the province and Ontario Housing rental units—of course, one must remember that Ontario rental

housing units are not covered by Bill 179—has a gigantic increase in expenditures for this year of three per cent. The Ombudsman, the very person who is there to protect the little guy, had an increase of four per cent.

I will jump a few here and go right to the top end. The Ministry of Energy—that is, the “Preserve it, conserve it” people, the Malcolm Rowan people and the Suncor people—has an increase of 194 per cent. Those are the priorities of the government for helping our people in need. It is 194 per cent for “Preserve it, conserve it.”

3:40 p.m.

The government may have sold the jet, but it has not yet convinced me that it is ready to practise restraint on itself. Since the election of last year, of the 31 limousines that are driven around by the Premier, cabinet ministers and the like, 19 of them have been changed. It is very interesting for we mortals who drive old-fashioned 1978, 1979, or whatever models of cars we have, to learn of some of the vehicles that were purchased since the election of last year.

They are cars, such as the 1982 Oldsmobile Regency at a cost of \$19,567, for ministers who have to travel between here and the Macdonald Block, which is the considerable distance of roughly 750 feet. Why a car of that price is necessary for that is absolutely beyond me. Perhaps some of the cabinet ministers will later clarify the necessity of such expenditures.

Why were only eight cars changed in the year prior to the election, but 19 of them have been changed in the year after the election? Again, I am sure the members will agree with me it is pure coincidence that 19 of 31 cars were changed after the election. I am sure the ministers did not give themselves a new present for winning their majority. I am sure that is all coincidental. I am sure the \$459,934.40 worth of limousines we have for the cabinet ministers is very necessary, much more necessary than providing help for our needy. At least that seems to be the attitude of the government.

A minute ago I was talking about the 194 per cent increase in expenditures for the Ministry of Energy. The members will recall, of course, that the Ministry of Energy purchased 25 per cent of the shares of Suncor on behalf of this government.

Mr. Laughren: Has the Treasurer heard about that?

Hon. F. S. Miller: Yes, I have.

Mr. Boudria: He was told afterwards. We have learned lately that Suncor is getting into a

new venture, the Trillium venture. I want to talk about that briefly as a spending priority of this government as opposed to some of the things it should be doing with the money it will save as a result of the implementation of Bill 179. I am sure the members would want me to talk about that. This is entitled “Suncor arithmetic”. I will read it:

“In a letter to the *Globe and Mail* the other day, Ontario Energy Corp. president Malcolm Rowan took issue with our editorial dealing with the formation of Trillium Exploration Corp.—created by his crown corporation in association with Suncor Inc., an oil company belonging to Sun Co. Inc. of Pennsylvania. Amongst other things, Mr. Rowan wrote, ‘Your editorial failed to mention that the Ontario Energy Corp.’s annual net commitment to Trillium Exploration Corp. of approximately \$7 million is significantly less than the \$10 million which Ontario expects to receive in dividends from Suncor in 1982.’”

Of course, we all know about the Suncor dividends. Every time there are dividends here, there are three times as much that leave the country because three quarters of the ownership of Suncor is in the United States. All that aside, let me read a little further:

“We’re glad Mr. Rowan brought that point up. Last year the Ontario Energy Corp. made the memorable decision to buy 13 million shares in Suncor Inc., an investment which gave it only 25 per cent of the oil company’s share (with the balance held by its US parent)” — which is what I was saying — “but which still managed to cost it \$650 million. The down payment of \$321 million was borrowed at rates exceeding 15 per cent, and the balance, held by Sun Co. in 10-year notes, was borrowed at 14.36 per cent—paid for by the cheery taxpayers of Ontario.

“Mr. Rowan is delighted that Ontario may receive \$10 million in dividends from Suncor in 1982. (He says about \$5 million was received in the first half of the year and he expects a similar return in the second half.) What he fails to mention, however, is that while \$7 million may be ‘significantly less’ than \$10 million, it is also significantly less than \$48 million, which is one year’s interest (at 15 per cent) on his company’s down payment for the Suncor shares.”

I am sure you follow the Suncor arithmetic of all that, Mr. Speaker, which means that every day we own it, we are getting further and further into debt.

The Deputy Speaker: And you relate that to the restraints respecting Bill 179.

Mr. Boudria: That is correct, that brings me exactly to that very point, that this government is not practising the restraint it preaches. One of the things we have to do in this province, apart from restraint, is to create employment. Various members have talked about this very important point. If restraint is done in the spirit of creating more employment, it is a lot easier to swallow than just restraint for the purpose of restraint. I am sure you will agree with that, Mr. Speaker.

To do the things I have just mentioned, the government of this province has to start restraining its own expenditures and put the money towards meaningful employment-creating ventures. What the government has to do, first of all, is spend money in Canada. The Suncor purchase, for example, is purely money leaving this country going somewhere else.

Today we had another famous statement to the Legislature by the Minister of Government Services (Mr. Wiseman) about the buy-Canadian policy. I am glad the member for Cambridge (Mr. Barlow) is here, because he is very familiar with the buy-Canadian policy of this government. We talked about that policy last year, and I think I illustrated very clearly to the member for Cambridge that the government of this province was doing everything but buying Canadian. It seemed as if, even among the things we used in our offices, it was impossible to find something Canadian.

Here is the latest in the continuing saga of buying Canadian. The statement on buying Canadian was just issued today, and yet today I learned that Zap the Safety Bird, a cartoon strip produced by Ontario Hydro which says at the bottom, "We do more than make electricity"—making cartoons is the "more" that they do than make electricity—is produced in the United States. Can you believe that, Mr. Speaker? On the very day the Minister of Government Services is talking to us about buy-Canadian, we learn that Zap the Safety Bird is produced in the United States. Is the member going to tell that to the folks in Cambridge?

Mr. Barlow: Sure. If they ask me, I will tell them. I really appreciate you bringing that to my attention.

Mr. Boudria: I am sure the member for Cambridge will put that in his next constituency mailing, along with the last buy-Canadian episode we had in this Legislature.

This brings me to a more symbolic buy-Canadian thing that happened earlier this year. This one may have sounded funny at the time

but, as far as being symbolic is concerned, there was nothing more symbolic than that issue, nothing more symbolic than that even one job could have been created in Ontario. That concerned the "We're proud to be Canadian" medallion, commemorating the proclamation of the Canadian Constitution.

You will remember, Mr. Speaker, that those medallions were minted in Rochester, New York. Just how proud to be Canadian are we when we allow things like that to happen? Instead of creating a job in Ontario, even one job, we export the job of minting the medallions to the United States. I can just imagine what the person who was producing those things in Rochester must have been thinking. The guy minting those medallions, stamping them one at a time, or however it is done, must have said to himself: "Proud to be Canadian? They're not all that proud, are they, if they are not even producing them in their own country?" Can you imagine, Mr. Speaker, being a Canadian beside that American person producing those coins right there?

The Deputy Speaker: I am having trouble imagining how this falls under Bill 179.

3:50 p.m.

Mr. Boudria: It is very simple, Mr. Speaker. As I said a while ago, this falls under Bill 179 simply in the sense of equity of this legislation, the restraint that it preaches. We have to cut government expenditures where necessary; we have to produce Canadian jobs and increase assistance to our needy people. When all those things are combined, Bill 179 is much easier to swallow, as I said previously. That is how it ties in very closely.

I have a few more things here which I would like to cover very briefly.

The Deputy Speaker: The member for Nickel Belt (Mr. Laughren) will help out in case you are—

Mr. Samis: You are doing pretty well yourself, Mr. Speaker.

Mr. Boudria: He is cheering me on, and I appreciate that.

The other day the Minister of Community and Social Services (Mr. Drea)—and I notice he is leaving—accused the Social Planning Council of Metropolitan Toronto of cooking the books when it issued its statement regarding the level of benefits offered to our needy people, a level of benefits which I have been saying should have been included in the statement read by the Treasurer when he introduced Bill 179. The

minister said that they cooked the books, that we were not really 10th.

Do members know why we were not really 10th? The minister said it was because it is based only on a single parent with one child. If one uses other statistics, we are much better off. If one uses two adults and two children, we are in very enviable position of being ninth. I am sure the government is much prouder to be ninth than being 10th in so far as the level of benefits that it gives to its welfare recipients. One can understand the relevance and the pride of Ontario, the province of opportunity, being ninth. I suppose the minister must think this is something to brag about. It is not good enough and that inequity has to be fixed, and very shortly.

It is fine for the minister to say, "I will do it before winter", "I will do it when I please;" or whatever other words he has used in this House and elsewhere to describe the time at which he was going to announce changes in the general welfare assistance benefit rate; but for the people at the receiving end of that amount of money, the people who cannot buy groceries because they just do not have any money to buy them with, another two months' wait makes an big difference to them.

Now we are seeing a new phenomenon. I was reading an article in the *Ottawa Citizen* of Saturday last which mentioned the new welfare recipients. These are people who were laid off 11, 12 and 13 months ago; their unemployment insurance benefits have now run out and now they are falling on general welfare assistance. These are a brand-new set of people on welfare. These are people who were familiar with high earnings and now they are in a very disheartening situation of having lost their jobs, sought employment for a year, run out of UIC benefits and now are on general welfare assistance.

If all of that is not bad enough, the amount of benefits they get is impossible to live on. For these people, being on general welfare assistance would be a traumatic experience at the best of times. The fact is, the amount of the cheque is so small—and I am sure the Treasurer will appreciate this—that it would be impossible for most of us to live for more than four or five days on that amount. Yet we expect our fellow Ontarians to subsist for a month on that same amount of money. That is nothing to be proud of, whether we are 10th or ninth.

I will just read a very short editorial, again from the *Ottawa Citizen*. Members will appreciate that is one of the newspapers serving my

constituency. Here is what they had to say about the Ministry of Community and Social Services, under the heading "Ontario's Miserly Welfare Record":

"The Ontario government's welfare record has become an embarrassment to a province that has always regarded itself as generous and progressive." And the word "progressive" is part of the name of the government party.

"Figures released by the Social Planning Council of Metropolitan Toronto show that the welfare recipients in this province receive less money than those in any other province." I point out that that is based on the cooked figures; it is not really that bad now. We are not 10th, we are ninth—provided there are four people in the household.

"Ontario awards a single parent supporting one child \$453 a month. The same individual in 'right-wing' Alberta would have received \$754 in August. It isn't only in rich Alberta that the milk of human kindness flows more freely. Such have-not provinces as Nova Scotia (\$572), Newfoundland"—which some of us joke about occasionally; can you imagine what they say about us, Mr. Speaker?—"(\$546) and New Brunswick (\$519) all leave the misers controlling Ontario's welfare purse-strings"—and I hope the Treasurer is listening to this—"in the shade. Even tiny Prince Edward Island outspends us.

"By comparison, Statistics Canada estimates that a mother and child living in a large urban centre need a monthly income of \$986.25 merely to reach the poverty line. Ontario pays less than half of that amount. The figures suggest that Ontario has been waging its war on spending on the backs of the weakest members of society: single mothers, the physically disabled, the mentally handicapped and the marginally employed.

"While some assume that those on welfare are shiftless layabouts, the reality is much different." That is the reality I was talking about a few moments ago. "Most are, in fact, society's victims. Few would willingly choose to subsist on welfare if they had any other option.

"Since 1976, the purchasing power of welfare recipients has fallen 36 per cent. No other segment of society has been called upon to make a similar sacrifice." That is not a five per cent increase. It is not catching up and it is not keeping up with inflation. It has fallen by 36 per cent since 1976.

"Although the cost of welfare is shared among the federal, provincial and municipal governments involved, there is no doubt who the guilty

party is in the whole sad affair. The federal government pays 50 per cent of whatever budget each province presents. In other words, Ontario, which provides only 30 per cent of the funding, effectively sets the spending limit"—as we all know.

"In the current economic climate, more and more people are getting a taste of welfare's thin gruel. Until shame or shifting political winds force a change, there is only one rational thing Ontarians can do about welfare: pray it doesn't happen to you."

That is as sad as it comes. Even people working in welfare, welfare administrators, who only a few years ago would not have said anything against this government and would have just provided the money that comes down from heaven, now speak out.

An article in the North Bay Nugget of August 31, 1982, quotes social services administrator Gerry Cardinal, and I want to read the following excerpt:

"'And I don't know how some of these people manage on what we give them,' he added. 'It is a bare, bare income; you'd have to be a miracle worker to live on it.'"

I am not a miracle worker, and I do not think the minister is, either. There is no reason we should expect our citizens to be miracle workers.

Many people face a shrinking income. For many in our society, such as the welfare recipients we have just discussed, the levels of benefits are not increasing.

4 p.m.

Another group faced with a similar situation are the farmers of my constituency. Many of them have refinanced their operations over the past few years and have placed themselves in the unenviable situation of having payments which now exceed their income. One has written to me to explain the plight of the farmers, how they must increase their revenue in order merely to subsist as the proud people they have always been. The situation is very sad indeed. I will take a few moments to read to you what this letter says about being a farmer in our area.

Mr. Speaker, representing the constituency that you do, you will know that many of the cash crops this year are down considerably in price. As difficult as it was only a year ago to live on their income, with their present revenue it is impossible for some of our farmers.

People may say that interest rates are coming down a little and they are less now than they were last year—the member for Algoma-Manitoulin (Mr. Lane) will recognize that, I am

sure—but for the people whose mortgages are now due on their farm, business or home they are still considerably higher than they were three, four or five years ago when they last renewed their mortgages.

I will read the letter to you, Mr. Speaker.

La lettre vient de St-Isidore de Prescott (Ontario) et elle se lit comme suit:

"Cher M. Boudria,

Bonjour et félicitations pour le magnifique travail que vous accomplissez pour nous les citoyens de Prescott. J'ai eu la chance de travailler sur le comité pour la nouvelle école d'agriculture et vous avez donné un appui à notre comité. J'ai beaucoup aimé votre détermination vis-à-vis la francophonie. Vous y mettez vraiment de l'énergie et la détermination que j'aime voir dans un politicien efficace. Continuez le bon travail.

Les gros titres dans les journaux ne doivent pas arrêter votre élan car aussi bien dépenser les gros sous pour une bonne cause que les dépenser pour acheter un avion pour Monsieur Davis qui ne nous servira à rien, à nous les agriculteurs.

Si je vous écris aujourd'hui, ce n'est pas seulement pour vous complimenter mais pour vous exposer un ou deux problèmes et vous donner mon opinion sur certaines injustices faites par le gouvernement provincial.

Notre premier problème en est un de la compagnie qui vend des pipelines et réservoirs à lait de marque Zéro. Une compagnie américaine qui vend à travers la Coopérative fédérée du Québec. Nous avons depuis 1975 un vendeur dans la personne de Michel Lacasse de St-Isidore (Ontario). Depuis la fin de l'automne, il ne veut plus faire le service sur les machines Zéro, étant en conflit avec Washington. Ceci nous place dans une très mauvaise situation car le lait, c'est périssable. Nous avons toute la misère du monde pour obtenir des pièces de rechange par ici et nous devons nous garder un inventaire assez considérable quand nous pouvons mettre la main sur les pièces. Pour les réparations mineures qui ne requièrent pas de pièces, nous pouvons avoir recours à d'autres compagnies qui nous chargent les yeux de la tête car nous ne sommes pas des clients. J'ai eu vent qu'il y a une association en Ontario qui demande aux compagnies de donner du service pour une durée de dix ans après que la compagnie a cessé d'exister. J'aimerais savoir où m'adresser. Nous sommes à peu près 250 agriculteurs de l'est qui avons des produits Zéro.

Comme la machine est de bonne qualité, nous aimerions avoir un nouveau concessionnaire.

Comment et où s'adresser? Michel Lacasse veut prendre une autre agence et modifier nos pipelines avec ses nouveaux produits, mais comme il y a seulement deux ans que j'ai mon pipeline et que je n'ai pas les moyens de le modifier, que dois-je faire?

En passant, ne croyez-vous pas qu'un gars qui laisse une compagnie pour une autre sans raison valable ne devrait-il pas se voir refuser un permis de vendeur, car il nous fait du tort en ne faisant pas de service.

Mon deuxième problème en est un de drainage. En juin 82, j'ai fait application pour un prêt à la municipalité de Plantagenet-Sud. Le greffier m'a dit de faire une estimée, ce que je fis. Quelle ne fut pas ma surprise d'apprendre que j'étais la quarante-deuxième sur une liste et qu'ils avaient de l'argent pour 34 cette année.

"L'ouvrage a été fait en juillet et je dois attendre à l'an prochain pour obtenir le prêt. J'aimerais savoir si c'est vrai que les premiers qui sont sur la liste ont le prêt garanti pour l'année après leur application. Si c'est vrai, je crois que c'est injuste pour ceux qui font l'ouvrage pendant l'année car il est facile de mettre son application et de changer d'idée et de ne pas le faire. J'aimerais aussi avoir les règlements pour cette année sur leurs lois en vigueur sur le drainage du terrain. J'ai l'Acte sur le drainage mais il ne dit rien sur les lois."

Alors comme vous le savez, Monsieur le président, c'est ce qui se passe dans beaucoup de cas, étant donné la pénurie de fonds qu'il y a, et je suis content que le député de Stormont, Dundas et Glengarry soit ici parce que c'est sans doute la même situation dans son comté. Étant donné la pénurie de fonds qu'il y a actuellement, et étant donné le nombre de personnes qui sont sur la liste d'attente pour recevoir des fonds, souvent ceux qui peuvent financer l'installation du drainage souterrain par des fonds privés et attendre d'avoir l'octroi sont placés dans une position plus avantageuse que ceux qui ne peuvent pas se permettre ce financement et cette attente.

C'est une situation qui est très difficile et jusqu'à environ l'année 77 je pense, 76-77, il n'y avait pas ce fameux quota, c'est-à-dire que le gouvernement acceptait toutes les applications qui entraient jusqu'à ces années-là et donc il n'y avait pas de liste d'attente. Du fait qu'il n'y avait pas de liste d'attente, les gens étaient tous traités de la même façon. Mais le cas n'est plus le même depuis ce changement qui semble avoir entraîné un favoritisme envers les gens qui peuvent se financer temporairement en attendant d'avoir

l'octroi. C'est très, très malheureux, et puis Monsieur le président, c'est d'autant plus malheureux chez nous dans l'est de l'Ontario, dans le sens que nous, ça ne fait pas tellement d'années qu'on peut installer ces fameux drains, parce que les anciens drains rouges qu'on avait ne s'adaptaient pas bien à la sorte de sol que nous avons. C'est seulement depuis qu'on a des tuyaux perforés, dans les dernières années, qu'on a réussi à commencer à faire le drainage souterrain dans l'est de l'Ontario, ou du moins dans la région que je représente et aussi dans la région que le député de Stormont, Dundas et Glengarry représente parce que les deux régions se ressemblent beaucoup.

Et je continue à lire le texte de la lettre, Monsieur le président.

"Est-ce les municipalités qui décident comment administrer l'argent ou est-ce le ministère des Affaires municipales?"

Comme on le sait, ce sont les municipalités si le ministère des Affaires municipales n'est pas impliqué du tout. Je vais lire un peu plus loin, Monsieur le président. Vous verrez la situation très triste, et je suis certain que le Trésorier comprendra aussi la situation très triste dans laquelle les agriculteurs de ma région se trouvent.

"Je sais que notre municipalité a fait une demande de prêt au provincial d'une valeur de 500 000 \$ pour l'automne. Quelle chance croyez-vous qu'ils ont de l'avoir? J'aimerais aussi voir le gouvernement provincial aider les agriculteurs à payer le drainage, vu que ceci est fait pour améliorer la production. Si le gouvernement ne sort pas des plans pour aider les cultivateurs de l'est, je vois un avenir très dur pour l'agriculture. Le 60% n'est pas beaucoup quand ça coûte autour de 583,45 \$ de l'acre pour faire le drainage. Pour faire 41 acres de drainage en juillet, ça m'a coûté 23 921,62 \$. Au taux d'intérêt actuel, nous avons besoin de toute l'aide possible. Je crois que le gouvernement pourrait faire comme au Québec, soit payer la moitié de l'installation. Ces années-ci c'est une nécessité d'avoir du drainage sur nos fermes. J'ai 175 acres de drainés sur 350. La population a besoin des agriculteurs pour leur nourriture. Saviez-vous qu'ici dans notre région, plusieurs de nos belles fermes sont à vendre et que les maisons de courtier ont un "field day" pour essayer de les vendre à des Allemands. La mienne est sur le marché car je préfère vendre maintenant au lieu de voir la banque s'en emparer à n'importe quel moment. Si mon information est correcte, la brasserie Labatt est en train d'acheter une de nos meilleures fermes

du comté, soit la ferme des frères Charbonneau de Fournier (Ontario) pour la fabuleuse somme de trois millions de dollars. Je me suis laissé dire par un membre de l'OMMB que la raison pour laquelle les brasseries achètent des fermes est qu'elles veulent faire enlever le quota et obtenir le monopole du lait. Avec une publicité aussi atroce que celle diffusée à la télévision par l'Office du lait, dernièrement, je suis portée à croire que c'est vrai. La compagnie Budweiser Beer a une annonce plus convenable pour l'agriculture que notre Commission du lait.

Les agriculteurs sont fatigués des réponses négatives du gouvernement. Nous travaillons toute une famille de cinq membres comme des esclaves pour recevoir un mince 500 \$ par mois pour se nourrir. Tout ce que le gouvernement a à nous répondre, c'est: serrez-vous la ceinture."

Et là on revient à ce dont on parlait plus tôt. Qui doit se serrer la ceinture? Les gens qui ont acheté les 19 000 usines dans les derniers 12 mois? Certes non. Alors c'est qui? Les agriculteurs? Ce sont les récipiendaires de l'assistance sociale. Ce sont les gens qui peuvent le moins se serrer la ceinture qui sont obligés de le faire. Et je continue, Monsieur le président.

"Eh bien, Monsieur Boudria, nous n'avons plus de trous dans notre ceinture. Nous sommes à bout de trous. La Commission du lait vient de nous annoncer une augmentation du lait de 3,55%, mais en même temps elle hausse la retenue de 1,10 \$ et le transport de 23 sous en janvier 82, ce qui fait un revenu net de 5 cents en plus. Ils nous disent que nous n'avons pas droit à plus de 6% de hausse cette année et à 5% l'an prochain. Mais aussi, ils nous disent qu'ils n'ont aucun contrôle sur la hausse du coût de la production. Voyez-vous la situation dans laquelle nous allons nous trouver pris? Il y a quelques années à l'arène St-Isidore, le cher Monsieur Gilles Choquette de la Commission du lait nous a promis qu'il n'y aurait plus de situation comme celles-ci, mais voilà qu'il parle de couper le quota, de monter la promotion de plus de 6% et quoi d'autre encore. Si la crédibilité des agriculteurs n'est pas rétablie bientôt, vous pouvez commencer à penser à l'importation de produits agricoles. Nous sommes vaillants, les agriculteurs, mais il y a des limites, ne croyez-vous pas?

J'aimerais aussi parler du programme d'amélioration des fermes. Je crois que c'est une farce car vous savez bien que la majorité des agriculteurs ont des problèmes financiers de plus ou moins grande envergure et vous nous demandez d'engager des gens sans expérience

pour faire du travail. Ne croyez-vous pas que vous auriez pu offrir l'argent aux cultivateurs pour faire l'ouvrage? Non. Les cultivateurs sont habitués à travailler pour rien et à être comme les femmes, des êtres inférieurs. Nous ne pouvons pas nous payer les programmes du gouvernement car ça nous coûterait trop cher. Parlons du Youth Program (le Programmes des jeunes, Monsieur le président), un autre programme qui pourrait être bon si les critères n'étaient pas si stupides. Pourquoi devrais-je engager les enfants du voisin quand mes enfants font l'ouvrage pour rien et pourtant ils sont étudiants. Je peux leur montrer la bonne façon de faire l'ouvrage, leur répéter que c'est pour leur avenir qu'ils travaillent, si il y a un avenir dans l'agriculture. Les rémunérer serait une façon de leur faire aimer le travail en famille et ceci aiderait à enlever les problèmes de délinquance qui nous coûtent si cher.

Voici un exemple: mon garçon de 13 ans est à charrier le fumier pendant que les deux filles aident leur père à défaire de la clôture. Un autre point très important est qu'il faut attendre d'avoir été accepté au programme avant d'engager quelqu'un: on risque de faire tout l'ouvrage tout seul avant d'avoir une réponse.

En terminant, je sais que vous ne pouvez presque rien faire à la situation car nous sommes une minorité, les agriculteurs, et nous ne faisons pas le poids lors des élections contre tous les citoyens. Mais je crois fermement que si vous étiez au pouvoir au lieu d'être dans l'opposition, vous pourriez peut-être faire beaucoup plus.

Pour ma part, je suis assez écoeurée. J'ai une grosse envie de tout ficher en l'air car j'ai vécu les effets de la guerre. J'ai connu la misère, la pauvreté. J'ai vu mes parents vivre une vie agricole difficile, sans jamais avoir un sous, pour arriver à leur mort avec à peine de quoi se faire enterrer. Je vois ma mère vivre avec une misérable pension provinciale, devant rendre compte de chaque piastre qu'elle dépense. Si c'est cela qui m'attend, je ne sais pas ce que je ferai. D'ailleurs, avec une arthrite comme la mienne, ayant peut-être un mois, un an avant d'être invalide, je dois me pousser toujours plus fort pour continuer à avancer, mais pour quoi? Pour que la banque ou le FCC prenne tout à leur gré? Je sais bien que ce n'est pas de votre faute si nous sommes dans une situation aussi désastreuse. Mais il faut reconnaître que c'est avec l'aide des soi-disant experts que nous nous retrouvons dans cette situation. Vous pouvez acheter toutes les compagnies de machines que vous voulez, mais s'il n'y a personne pour acheter les machines, ça va servir à quoi?

Je sais que j'ai écrit beaucoup, que mon orthographe n'est pas bonne car j'ai dû laisser l'école quand j'étais jeune pour aider ma mère avec les autres enfants, mais je devais vous dire ce que je pense. Trop de gens parlent sans vous dire ce qu'ils pensent. Je ne veux pas de réponse sur tous les sujets, mais j'aimerais en avoir une pour nos deux problèmes par exemple.

Merci d'avoir pris le temps de me lire."

Et on me dit "Sincèrement". Je ne lirai pas la signature de la lettre puisque je n'ai pas demandé à la personne d'utiliser son nom. J'ai demandé d'utiliser le texte, mais non le nom.

Mais je voulais, Monsieur le président, vous indiquer la situation désastreuse dans laquelle se trouvent nos agriculteurs. Je ne vois rien dans ce projet de loi qui les aide. Ce qui me surprend le plus à propos du projet de loi, Monsieur le président, c'est qu'il a fallu trois ou quatre mois pour l'introduire. On se demande ce qu'il peut y avoir dans ce projet-là qui a pris tant de temps. Il semble plutôt que c'était un projet de loi qui aurait pu être préparé en quelques heures et introduit à l'Assemblée législative en quelques jours. Alors pourquoi a-t-on pris tout un été pour en arriver à cette solution? Cela me dépasse. Comme je le dis, je suis en faveur du principe général des restraints budgétaires du gouvernement provincial, mais je suis d'avis que le gouvernement pourrait, avant la lecture finale de ce projet de loi, faire des énoncés très clairs sur les autres améliorations qui sont nécessaires pour faire revivre l'économie de notre province.

Mr. Speaker, I would like to repeat that, if you do not mind.

I am in favour of the principle of restraint and, of course, this holds for not only public sector wages. Restraint, in order to be palatable and in order to get the willingness on the part of this population, should be done in such a way as to demonstrate that this government wants equity.

This will be done only if the government announces that it will cut unnecessary expenditures, such as advertising and those other things I have talked about at length in my speech; that it will immediately make improvements to assist the people at the lower end of the economic structure of our province, more specifically the recipients of general welfare assistance; and that those things that are controlled by the government, such as hydro rates, Ontario Housing Corp. rents and so on, will be controlled as strictly as salaries.

Once all those things are included in a total package, the population of this province will be

far less reluctant to accept any form of restraint, because restraint would mean something different from what it does at the present time.

I hope the Treasurer (Mr. F. S. Miller) takes at least some of the suggestions I have made. Recognizing that he and the Premier (Mr. Davis) have seen fit to do such a symbolic thing as sell their cherished prize for winning the last election, which is the \$10.6-million jet, I am sure they could do more to demonstrate the same commitment not only towards public sector wage restraint but also towards government restraint per se.

Once we achieve that kind of restraint of government on itself as opposed to restraint on the people of this province, then I am sure the package will be far more acceptable to each and every one of us.

4:20 p.m.

Mr. Renwick: Mr. Speaker, this is the first occasion I have had to rise in the House and feel the sense of something missing, because a colleague of mine of 18 years' standing is no longer in the assembly.

He was a leader of this party; I worked closely with him during the 18 years I have been in opposition in this assembly, and I just wanted to be able to recall to the House very briefly the contribution, unfailing and continuous, that he gave to the assembly over the long period of time from 1955 until he resigned his seat on July 31.

I speak, of course, of a man known to and respected by all the members of this assembly both present and past. I need only recall that in 1951 the Co-operative Commonwealth Federation, which was then the official opposition in the House, was practically wiped out in that general election. There were then two surviving members of the party in 1951. The leader of the party at that time, E. B. Jolliffe, resigned shortly thereafter, and in 1953 Donald MacDonald was elected leader of the Co-operative Commonwealth Federation in Ontario.

It is interesting to recall his two opponents, the two candidates who sought the office with him. One of them was a former member of this House, Mr. Fred Young, the former member for Yorkview, and the other was Mr. Andrew Brewin, who was for a long time an honoured and respected member of the House of Commons in Ottawa. Donald MacDonald fought the provincial election of June of 1955 and was elected in the riding of York South.

I may say that since maturity I have never, in the time I have had in association with men of

any kind, recognized in anyone the kind of solid work he brought to bear on the parliamentary process in this province. It is interesting that when I was deciding whether or not I would try to pursue a political career myself, I was influenced by two men in the final decision I made to myself and by myself about which party I should belong to.

One of those men was Donald MacDonald, whom I had observed and read about in the newspapers of this province and in the public debates of this province from the time he was elected until on into the 1960s, when I tried to make up my mind what role, if any, I might play in public life; the other was a former Premier of Saskatchewan, now dead, the Honourable Woodrow Lloyd.

There were many others whom I respected and admired in the political life of the Co-operative Commonwealth Federation and in the political life of the New Democratic Party, but my entry into public life, my decision to join the New Democratic Party, was prompted in the main and particularly by the respect I had for both of those men.

I took the liberty of just looking at the Hansard of Donald MacDonald in his immediate entry into the House to find out the kinds of things that were being talked about and discussed at that time.

The House assembled, I believe, on January 31, 1956. The first comment made by my colleague Donald MacDonald was with respect to the death of a former member of the assembly at that time, the member for Renfrew South, Mr. James Dempsey, who had apparently died in the interval between the election of June and the calling of the House, because there had been a by-election to fill the vacancy just before Donald spoke for the first time in the House.

It was characteristic of him that he knew James Dempsey even though he had not sat in the chamber with him and he appropriately expressed his appreciation and his sympathy to the family of that member.

It was interesting also, in the Hansard of that time, that the Prime Minister of the day, Leslie Frost, had put before the House a suggestion that the number of Hansards be increased so that it could be distributed publicly and had proposed a price of \$7.50. Donald MacDonald was trying to indicate that for ordinary people the price should be reduced and the distribution of Hansard promoted so that people would understand what it was about.

He was saying things which I have heard said

even in these latter days, that in the eastern part of Ontario Ottawa dominated the scene and people had very little access to what went on in this chamber. I assume that could be said today with equal force.

He then referred to the northwest and made the same point. He said the focus of the northwestern part of the province was on Winnipeg, the information which they obtained, the knowledge which they received, the news which they had related to the area of Winnipeg. He was pointing out, of course, that a province of this vast size required every opportunity for people to understand what was taking place in the House.

He then began to speak, in the course of those remarks, about what had happened in the election.

I gather that in the 1951 election something like 50 per cent of the electorate turned out to vote. There were 98 seats in the House. The Conservative Party got 84 of those seats, the Co-operative Commonwealth Federation got three of those seats, of which Donald MacDonald's seat was one, and the Liberal Party under the then Leader of the Opposition, Farquhar Oliver, held 11 seats. What an appalling House that must have been for those who sat in opposition. It must have been almost as appalling as the one in which we now sit in this assembly.

But he was pointing out that the government of the day was elected by 25 per cent of the eligible electorate of the province, and that the lack of interest of the people in the province in what went on in this assembly was a reflection of the kind of government that was being provided, even though it was a government elected with a monstrous majority.

The other 25 per cent of the electorate voted for either the Co-operative Commonwealth Federation or the Liberal Party. Things have not changed very much. I believe 58 per cent of the electorate voted in this last election and the Conservative Party received something like 44 per cent of the 58 per cent and the Liberal Party and ourselves received about 54 or 55 per cent.

So times have not changed since Donald MacDonald first came into the House. The world is not greatly different with respect to the kind of sense that people have about this assembly. I must say I was sorry to hear a fearless man such as Donald MacDonald say with some regret in his statement of resignation that he felt this chamber had depreciated in its relevance to the affairs of the province.

It is for a man such as him, who made his contribution here an immense challenge for those who are here now and those who come later, to make this chamber relevant, to make this assembly relevant, to make it a place where the concerns of people are debated and discussed.

If I may say just one personal word about Donald, I do not know, among all of the friends that I have in public life, a man whose public persona was what people saw. Few, if any, people saw the private person behind the public persona of Donald MacDonald. But for those of us who had occasions, rare as they were, to glimpse the private person behind the public servant, he was a man of immense charm, a man of immense friendliness and a man of great warmth. Some day, somewhere, it will be possible, I assume, for someone to write about Donald MacDonald. Most of us here will not even deserve a footnote in the history of the province, let alone receive it, but I am certain that some day at some time a writer will take the time and the trouble to recount in historical terms the immense contribution he made to this province.

4:30 p.m.

I do not want to go on too long, but I feel deeply about the loss of a colleague of that length's standing in this assembly. In the field of the Constitution of the country, of the forestry industry of the province, of agriculture, of energy, and of the processes of this House and its proceedings, in all those fields, to name only a few, Donald MacDonald brought an incisive and a fearless knowledge, a respect and an ability to cut through the verbosity that surrounds so much of our discussion here and to deal with the core issues that were before the province over many years.

In addition to that, there is not a man in Ontario at the present time who knows this province from one end to the other and in great depth in the way Donald MacDonald knows and appreciates the people, the vastness of the province, its wealth and its poverty and the needs of its people. I would like to quote a very brief statement MacDonald made when he spoke in the House because I think it does epitomize very much what he stood for and believed in. It is what we in our caucus at Queen's Park heard him say on many occasions. I quote only one paragraph from his first day in this assembly.

"If I may be permitted just a brief personal word, I would add that I know of no responsibility that a person can take up which is more

meaningful, more of a noble calling, than the responsibility of a person who is elected to a Legislature such as this in a democratic country."

With that, I conclude these brief remarks in appreciation of the friendship, the relationship and the closeness in political life that I shared with the member, as did so many others of the caucus of what latterly became the New Democratic Party, of which Donald was the first leader in Ontario.

I could not speak of the member without drawing to the attention of the House the death during August of this year of his close personal associate, one who worked with him for many years, and who was very much part of the world of Queen's Park for so long. Ellen Adams died after a lengthy and disheartening illness in August this year. She was, from the time Donald came to the Parliament Building here until after the 1975 election, one of his close confidants. She was at one point the only member of the staff of the Co-operative Commonwealth Federation caucus and she served in many areas.

Those members who knew her, who read about her and who understood her recognized that Ellen Adams in her person reflected very much the history of the times from the Depression in the 1930s in Germany, where she was born, to her flight from Germany to England, to her service in the Second World War in Great Britain, to her coming to Canada and her association with the Co-operative Commonwealth Federation, to the time in Queen's Park when she found the work she believed in, which was assisting people. She brought sympathy for those in receipt of social assistance, those on workmen's compensation, those having difficulty with the welfare system and with unemployment insurance. She was the one who was able to turn the key to many of the solutions that we and others in this assembly have since used in order to achieve some measure of equity for people at the lower end of the scale in the economic life of the province.

From that work she went on to social activism at the community level and left her mark there as well. This was indicated by the presence at her funeral of three mayors of the city of Toronto, three leaders of the New Democratic Party, the Ontario Attorney General (Mr. McMurtry), the two Ombudsmen for the province and many others.

It was a moment of tribute in mid-August of this year that those of us associated with Donald MacDonald and Ellen Adams recall with gratitude for her friendship, with sorrow that she has

gone and with a deep sense of her contribution. We will remember for a long time a person who spent such a great deal of her life as a part of the operations of the assembly office of the New Democratic Party.

I have not had the opportunity to be in the House as often as I would have liked simply because there is an event taking place in Broadview-Greenwood which will result in the victory of the New Democratic Party on October 12 next. Lynn MacDonald, the New Democratic Party candidate, will be returned to continue the tradition that was established some years ago when Riverdale and Broadview became New Democratic Party seats. That tradition will continue.

Also in this caucus we look forward to November 4, 6 and 8. On November 4 the leader of this party will be elected to the assembly; on November 6 the Ontario Gazette will gazette the result of that by-election; and on November 8 Bob Rae will be able to take his seat here as the member for York South and participate in this debate which is going on at the present time on Bill 179.

I was going to say that perhaps he would wind up the debate. I am certain he may wish to wind up the debate, in which case it will be later on in the month, but in any event my guess is he will be able to make his contribution regarding the iniquitous bill before us.

Mr. Speaker, I know you will already have sensed the relevance of my remarks to Bill 179.

Mr. Barlow: You finally got around to mentioning it.

Mr. Renwick: I can assure members that what I have said will be as relevant as the rest of my remarks to Bill 179.

I have carried Bill 179 next to my heart to try to understand where the compassion of the Conservative Party is. I thought perhaps I had missed something. It has a grandiose title— An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. But this bill is flawed in substance, it is illegal and it is unconstitutional.

Presently I might have an opportunity to prove the proposition I have just stated, but I have a number of other matters related to the bill on my mind and I will leave that until another occasion—perhaps later on this afternoon. However, as time appears to be slipping by, it may not be until tomorrow or Thursday when I will draw to the attention of the House why the bill is open to a challenge in the court

and has not been defended in this assembly in relation to the kind of legality and fundamental rights that have been trampled upon in such an astute, legalistic way by the legislative language contained in this particular bill.

4:40 p.m.

I do not often recall events, but I do recall one. The last time the government tried to do something like this, I indicated it was wrong and nine men in Ottawa agreed with me at that time. I expect that in due course, if this government does not withdraw the bill, nine men in Ottawa will decide that perhaps it tramples upon the fundamental rights of people and that perhaps the Conservative government does not understand the implications of the bill now before us for debate in the assembly.

Over the years I have tried to understand the Premier (Mr. Davis). On occasion I have thought to myself, "Yes, I now understand the Premier." On other occasions, I am completely dumfounded by what he does and what he then explains to the public of Ontario are the reasons behind the actions of the government which he leads.

I assure this House that I cannot understand how he was able to renege on the commitment he made that he would not single out the public sector for the punishment of wage restraints. There is no way in which anybody can read the reports of the day and talk to the people who were involved in them without believing that the Premier has reneged on a commitment of immense importance. No matter what language he uses to explain the change that has come over him, if one looks at the reports from early this year until the present time, on his attitude towards wage restraints, it can only be termed a complete reversal of his position.

As a matter of fact, there has been a phrase going through my mind and I have had to search it out to find out where it came from. It was haunting me for a considerable period of time. It went something like, "The sound of the flip-flop is heard in our land." I kept saying to myself, "Where have I heard that?" I thought for a moment it was William Butler Yeats, but I searched through his poetry and I could not find it. Then suddenly it dawned on me, and with great respect to Solomon and whoever wrote the Songs of Solomon, it was, "The voice of the turtle is heard in our land."

What has been running through my mind is that the sound of the flip-flop is heard in our land, and the Premier of this province did exactly that. He did it without explanation and in a way that is totally and completely

unsatisfactory to our party and to those who are close to and concerned about the civil service of this province in the broadest sense of that term, that is, those who work in the public sector.

To divide the public sector from the private sector in the way in which this has been done is unacceptable to us in this party. I would have hoped it would have been unacceptable to a number of members in the back benches of the Conservative Party and I certainly would have hoped it would have been unacceptable to members of the Liberal Party.

How could the Premier of this province say, "I have been quoted as saying that singling out the public service is inequitable; I am not retreating from that contention"? What a brilliant statement, to place before us a bill that is admitted by the Premier of the province to be inequitable. Regardless of the reasons, that is what he said. He said in the assembly, "It is inequitable."

I have said it is illegal. Let me leave it for the moment that it is inequitable. That is what it is, and we are being asked to pass into law in the province an act which, in the words of the Premier is inequitable. Let me just place on the record what he was quoted as saying about this question of singling out the public sector of Ontario. These are reporters who are respected and well-known. That cannot be said of every reporter, but of these men it can be said.

This is Mr. Bruce Stewart of the Hamilton Spectator: "However, Mr. O'Flynn said: 'Mr. Davis has given his categoric assurance that he would not support any type of wage controls aimed specifically at one group such as public sector employees.'"

Mr. Treleaven: That is a reliable one.

Mr. Mackenzie: That is exactly what the Premier said to him. You want to know what you are talking about for once.

Mr. Renwick: I deliberately used that first quotation referring to Mr. O'Flynn. If what the member for Oxford (Mr. Treleaven) has just said is an indication that Mr. O'Flynn is telling less than the truth, I would like the member to stand up and say so.

Mr. Treleaven: What I said, Mr. Speaker, in a facetious voice, was "That is a reliable one," referring to Mr. O'Flynn—no more, no less.

Interjections.

Mr. Renwick: Let us decide whether the member's remark was facetious or not. This is not the occasion for facetious remarks. When we are talking about what the commitment of

the Premier of this province was to representatives of the labour movement of this province, we do not fool around with it.

This is John Deverell in the Toronto Star on January 26: "'Ontario will not stamp legal controls on the wages of its 55,000 public employees,' Premier William Davis said. Wage controls on the public sector would be unfair because 'you can't isolate one sector of society' in the fight against inflation, Davis said after a meeting with labour leaders yesterday."

"Sean O'Flynn, president of the Ontario Public Service Employees Union, said he was relieved by Davis' statement. 'The whole thing about public service controls has been a mischievous kite to distract attention from the real economic issues.'"

Perhaps we can come back to who flew the malicious kite. It was the Treasurer of the province (Mr. F. S. Miller), and we can come back to the conflict between the Treasurer of this province and the Premier about the direction of public policy in fiscal, economic and other matters in a few minutes. Those are the direct quotations of John Deverell in the Toronto Star.

Let me refer to another respected writer on the labour front, Wilfred List, who in the Globe and Mail of the same date wrote: "Premier William Davis has categorically ruled out wage controls for Ontario public employees. His statement was in response to a submission presented to him yesterday by officers of the Ontario Federation of Labour. Mr. Davis made it clear yesterday to the labour delegation led by OFL president Clifford Pilkey that Ontario would not support controls for public employees."

After the meeting, he even went beyond that to say he was not in favour of any structured policy with respect to wage controls of any kind. But it is sufficient to say that we come along to July 6, in a report of the proceedings in this assembly, which was reported in the London Free Press, when he began to indicate that perhaps the Treasury ministry of the province had got to him and that, yes, perhaps there was going to be some change in his position. I simply say that the statements which the Premier made in this assembly earlier this year were not explained by him in this House except to say that it was inequitable to do so, but that he was introducing a bill in any event.

4:50 p.m.

I often take time to read what the Premier has to say. I happened to scan a number of his other addresses and began to understand that what

was taking place in the cabinet of this province was the reassertion by the Treasurer of the stranglehold of his ancient view of the economy over the government of Ontario and from the government of Ontario through to the caucus of the Progressive Conservative Party.

Mr. Davis goes before the Progressive Conservative association downtown and makes some remarks, part political, part just political bantering, something to do with the question of trusting in him when he makes mistakes and trusting in him when he goes his own particular way. But we now know and recognize that the substitution of the two firefighting aircraft ordered by the Premier for the jet was made because the Treasurer was not very happy about it. It is the same with the Suncor purchase. You will be glad to know, Mr. Speaker, this is the last comment I will make about Suncor. Because he had not consulted the Treasurer, we are now paying the price.

When the member for Prince Edward-Lennox (Mr. J. A. Taylor) was Minister of Energy he talked about being "mugged in the corridors of power" by the bureaucrats. The Premier has been mugged in the corridors of power of his own government by the Treasurer and by the bureaucrats in the Treasury ministry. They lassoed him back into the game because he dared not to consult them on Suncor and because he made the mistake with respect to the jet. Had he not made those mistakes, the reassertion of control over the Premier of the province would not have taken place and we would not, in my judgement, be faced with this bill. That is the only explanation for the about-face that could possibly be put before the assembly with any sense of credibility.

In Halifax, on August 22, 1982, the Premier argued the case against control of the public sector unless there was a national economic recovery program. But he came back to Toronto, called the House back into session after a series of consultations with his colleagues in the cabinet and reversed his position. He said we will have public sector wage control and will wait for a national economic recovery program from Ottawa, rather than stating the position he put before his fellow Premiers in Halifax.

I am getting a bit ahead of myself, which I do not want to do, because if there is one thing we in this assembly have on this bill, it is time. We have lots of time to deal with the fundamentals of the bill and the problems which it is creating for us.

The Premier made this remarkable statement

to the Progressive Conservative association on Saturday, September 11: "I say this to all of you, that while on occasion I will make decisions that will upset you, that while I appreciate the confidence in me, my responsibility has been and will continue to be to all of the people of this province because they are all part of what is important to me as an individual. I would remind myself, as well, that the people of the province do not expect their government to confront; they do not expect their government to debate. They expect their government to move with a sense of confidence, a sense of enthusiasm. I think they realize that we cannot solve all of the problems, but I think they will respect the fact that we are trying."

In the casual remarks before a Progressive Conservative association convention, what that means that the government does not intend to debate is perhaps what we see in this assembly now with respect to this bill, because there has been little counter-debate by the government benches apart from what the Treasurer and the Premier said in opening the debate. There has been little contribution, if any, to the assembly by the Minister of Labour (Mr. Ramsay) or by his two predecessors as Ministers of Labour with respect to the guts of the bill, which is the attack on the collective bargaining system, the attack on the arbitration system of the province.

I would like to ask the Treasurer if at some point he would explain to this assembly what it is about the triple-A rating that must determine the whole future of the course of this government's economic policy. I have over the years heard the Treasurer and his predecessor say simply that somehow or other the triple-A rating is not just a symbol but an important factor in the life of this province. Yet the Treasurer and the Premier both know that the likelihood of investment in this province by people in this province has nothing to do with the triple-A rating of its credit in New York City, nothing whatsoever to do with that sense of confidence. If the economy of Ontario is strong, if it has the resilience and strength we believe it to have, then what happens in the rating places in New York City about the financial rating of this province is quite irrelevant because we will continue to get the money we need from people who choose and want to invest in it.

I suppose that in a funny way it can be said that old ideas have to rot before new ideas can take root. I would like to suggest to the Treasurer that he drop this particular status symbol and address the serious economic problems

facing the province in a way other than by simply introducing Bill 179 and imposing public sector wage controls.

The remarks that the Premier made, both when he spoke in Halifax and when he spoke to this House, are basically repetitions in somewhat different form of remarks he has made over a period of about the last year. I would like to run through a few of those remarks and try perhaps to relate our conception of an economic strategy and policy for the province to the various areas he has spoken about.

Every now and then in the course of the remarks of the Treasurer and the Premier, both in this House and in Halifax, there is a particular synoptic phrase with respect to the public sector and the consequences that will flow from it if we do but adopt unquestioningly the policy reflected in the statements by the Premier and the Treasurer. The Treasurer repeated it a couple of days after the Premier spoke in this House on September 21. The Premier took it verbatim when he spoke in the House at the opening of the session on September 21 from the remarks he had made when he was in Halifax speaking to the opening session of the Premiers' conference on August 25. I quote from those remarks:

5 p.m.

"In this regard I repeat my call for public sector expenditure restraint. Reduced government demands on the capital market also will contribute to reduce pressures on interest rates. Public sector cost reductions can be passed through to the private sector in the form of lower increases in taxes, user fees and charges for government services. These reductions alone will have a significant impact on the performance of the consumer price index and will contribute to slower inflation in the private sector."

That seems to be the keystone of what the policy of the government is designed to achieve, but neither the Premier nor the Treasurer has said anything to elaborate on the meaning of that paragraph. I do not know and I have no idea what the Treasurer has in mind for us down the road. He obviously has a number of matters that are going to be brought to our attention in a piecemeal fashion rather than up front in a way that all of us can understand, because the Premier stated in his remarks on September 21, when he began to deal with the question of what can and will be done, "We are currently working on a further series of initiatives designed to generate further employment and stimulate economic activity."

I certainly trust that the Treasurer will enlighten us at some point during the course of this debate as to what those initiatives are that are designed to generate further employment and stimulate economic activity. All we have heard from the government so far is the remarks in the budget of the province earlier this year with respect to their concept of job-creation programs.

We have put before us in the budget counter-proposals of the New Democratic Party the kind of program that would have been adequate and sufficient to produce the kinds of jobs that are required in the province. I would like to know from the Treasurer what he is going to announce as further policies and when we may expect them, considering that we are now into October.

In his address to this assembly, the Premier also referred to other announcements: "We fully anticipate that further announcements will be made governing other major regulated prices in the very near future." I may have missed something, but I do not know of any major statements that have been made about major regulated prices since September 21. I trust that in the course of this debate the Treasurer or one of the ministers of the government who can make that kind of statement will let us know what are those major statements about major regulated prices in the very near future.

One matter I want to have explained to the assembly is the reference by the Premier in two places to the arbitration system in the province. In Halifax, the Premier said, "In the public sector the role played by the arbitration system in perpetuating the inflation cycle should be reviewed." I do not know what he means by that statement. I hope somebody will tell us in what way the government of this province proposes to intervene in and change the arbitration system that is in effect for those members of the public service who do not have the right to strike and who are dependent on the processes of arbitration to bring about some form of collective agreement between various aspects of the public service and their employers in the public service. That was not a throwaway remark, because he repeated it in this assembly.

When we come to the question of the effect of the bill on the collective bargaining process, I hope the Minister of Labour, one of his predecessors in the portfolio, the Premier himself or the Treasurer will tell us what is meant by the statement that the arbitration system in this province is going to be reviewed. I hope someone will tell us what those changes are. I think I can find that reference in his remarks to this

assembly, but members can take my word for it that he did repeat in this House exactly what he said in Halifax.

I do not understand whether there is any appreciation on the side of the government about the role of arbitration in those portions of the public service of Ontario which, for one reason or another, are denied the right to strike. I myself have never thought the arbitration process was simply related to favouring the public sector employees.

Is that what he means? Is that is what is being said in this assembly, that the capacity of the collective bargaining process in the public service has been such that the settlements were an attempt through arbitration to obtain an equitable adjustment through wage increases in relation to the cost of living those in the public sector were subjected to?

I do not know what it means. I expect an answer in the course of this debate, because that kind of throwaway line by the Premier on two such important occasions, once in Halifax and once in this House, needs some further elaboration.

It is not sufficient for the Minister of Labour or his predecessor simply to say that somehow or other that process is at fault. It is not enough for him to say there is something wrong with the collective bargaining process in the public sector that has brought forth this legislation in such a way as to punish those who serve the public rather than those who may serve the private sector.

There is another way of looking at that issue, and I will be glad to do that somewhat later.

If I may, I will go through a little bit of what the Premier has had to say. Each of the topics he has discussed when he spoke to the Premiers in Halifax and when he spoke in this assembly touches upon very fundamental aspects of a very complex problem. It is surprising to me that the Premier seems to be so muddled about the problem that is facing this country. He seems to have it divided up into a number of headings, and it depends on the audience and the occasion as to which one he puts up front as the prime topic or goal or objective of the economy.

One can run through them very clearly. He always talks about the failure of leadership at the national level. Yet we are going to be asked in Bill 180—to be debated very soon, perhaps before this year is out—to give him a *carte blanche* to enter into whatever agreement he wishes with the government at Ottawa. He has

continuously characterized that government as one that has failed in its leadership of the country. How he does that, I do not understand, and how he expects us to approve of that bill in due course, I do not know.

5:10 p.m.

That is the first element of his rhetoric, if one can call it that. The rhetoric goes back to the Premiers' conference a year ago; it goes back to the first ministers' conference in February of this year. It was repeated at the first ministers' conference in June of this year, it was repeated at the Premiers' conference in Halifax, and again he brought some elements before this assembly when he called the House back into session to deal with this legislation and his version of an economic recovery program for this province.

The second element of his speech is a call for a national program. He has some strange sense of the federalism of this country, that the call for a national program is for the federal government to enact a program on a nationwide basis and for the provinces to say, "Me, too."

It is true that it is sugar-coated a little bit, that there is to be a national task force. But the ultimate question of his sense of the sovereignty of the provinces in a federal system is that if the federal government will put in a wage and price control policy on a national basis across the country—not a profit control policy; we will come to that a little bit later—this government will say, "Yes, we will go along."

No ifs, ands or buts; no public debate in this assembly. Simply the package is to be brought back here for ratification after it has been signed and sealed by the government of the province and without any debate. That is the second element of his speech.

The third one he talks about is inflation. He will say: "You can never be quite sure. Is it our attack on inflation that is the top priority in the country, or is it jobs?" On occasion he will say it is jobs. On occasion he will say it is productivity. On other occasions it will be interest. Sure, in the course of his speech he will throw them all in but every now and then, depending upon his mood and his audience, one or other of these various highlights is the focus of his particular address. We find this in his address to the Premiers and in his address to this assembly—not in the course of debate but as a statement before the orders of the day so he will not have to engage in debate.

It may be that he may decide to participate in the debate. After all, he appeared in the House

last Thursday evening. It will be an unusual occurrence if he participates in the debate on a bill in this assembly. Since he has been Premier, I do not ever recall him doing that; he leaves that to his ministers. At least this bill is not being left by the Treasurer to his parliamentary assistant, which is the normal course of legislation; nor is it being left to his other colleague, the Minister of Revenue (Mr. Ashe), to pilot the bill through the House. Thank goodness for that, because this is the forum in which this economic debate is to take place.

He goes on in his addresses—and it does not matter what the order is; he gets them all in at some point—to talk about his concept of the federal state. I have talked a little bit about that. His sense of analysing the problems of this economy, his sense of analysing them in terms of either what the province can do or what the province co-operatively with the other provinces and with the federal government can do is a matter that escapes his attention. In some way, he thinks the future of the country is inextricably bound up with Ontario and Ottawa, not with Ontario and the other provinces with Ottawa working out a program acceptable to everybody. It is kind of a strange way in which the history of Ontario has been perverted over the years.

There are some of us, despite the tirade of the Premier against the deputy leader of this party, who have a little bit of sense of the history of the province. Indeed, I would guess we could have a little history match one of these days, if somebody would like to do it and if we could find someone to put the questions. The members opposite would have more to choose from, but we would put up our 21 members against any 21 members of either of the other two caucuses on specific knowledge of the history of this province and of events in the course of that history. We would have no difficulty in that. We even sometimes read history books in this party. Some of our members have written history books. It is quite surprising. I digress, and I apologize for that.

He then will go on and talk about the state of the economy. He will talk about the unemployment, about the jobs in the economy, all sorts of things that are wrong and, at that point, of course, it is never his responsibility. That is where he shades off into the rest of the world. In his speeches he has already dealt with Ottawa; so he shifts off into the United States and into the worldwide conditions that are causing so much of the economic downturn of the world

for which, God forbid, he as Premier of this province cannot be held in any way responsible. Of course, he does not accept that things can be done in this province, except minor tampering of the kind the Treasurer brings in, such as the measures he brought in to stimulate car sales a year ago last November, if I remember correctly.

Then he talks about the Ontario program, never in terms of the future but always in terms of what has been done in the past, despite the fact that the programs he has initiated in the past and the policies that have been adopted by the government have created the situation we are in at this time. The Treasurer follows in the footsteps of his predecessor, who left the government because of the restraint program and the failure to follow it sufficiently rigorously. God knows where we would have been if Darcy McKeough had been here and that restraint program had been in force over a period of time. I hate to think what the state of the economy would be now.

When they talk about the Ontario program, we never know what it is. It is always what has taken place in the past, or it is something that is going to be announced some time down the road in the future. I referred a few minutes ago to the policies that are going to be announced by the Treasurer some time later on about stimulating the economy. They are never debated. Do members understand that? They are announced. I am delighted to see there are one or two Tory back-benchers here, because that is what happens.

We have never had until this occasion, as I recall—and I am not one who very often lives in the past and I can be faulted, because I have enough to do in the present and future without living in the past—an economic debate in the assembly. We have the throne debate, and it is limited. We participate in the throne debate, then that is cut off and we have the budget debate. But that budget debate, if members happen to notice, has a way of ending the session just before Christmas. And it goes on and on. What is it? It is a filler.

I found the Speaker of the assembly the other day denying us an emergency debate on the question of welfare assistance and social assistance and the levels of payment in this province on the grounds that those are matters that are in the budget debate on which we will vote—we may vote—towards the end of this year.

The budget is never debated. The Treasurer comes in and makes his budget statement before all his assembled friends at eight o'clock one evening and then they adjourn to the

Albany Club. The bills that have been introduced into the assembly are broken down into any number of parts and the Treasurer hands over the great majority of them to the Minister of Revenue, who has nothing to do with them, even if he did understand their broader implications, nothing to do with the policies of the government. So perhaps members will understand why we felt that when the Premier opened his remarks to this assembly.

5:20 p.m.

I am glad to see I am beginning to get the feel of this debate. I was literally concerned today when I stood up to speak in the House as to whether or not after 15 or 20 minutes I would have to sit down, but I am delighted to know that it does not appear this is going to be one of my problems.

With our House leader we were anxious to focus the debate and not have the House engaged in other business so that the place would be dispersed and nobody would be in the chamber. We have enough trouble getting enough Tories in the House even when there is no other business going on in the assembly, let alone when there is.

Mr. Speaker, you may wonder what this has to do with Bill 179.

Interjection.

Mr. Renwick: I could see that. But this is a debate about fundamental government economic policies. It is not just an isolated Bill 179 or another isolated Bill 180; it is what the Premier meant when he stood in his place and said, "Today represents a critical opportunity for the Legislature of Ontario to address those issues of vital concern to the health of our economy, our province and all its citizens."

That is what this debate is about, and the rules are not such as to hamstring the capacity of this House to attempt to deal with the broad panorama that is involved finally in this—

Interjections.

Mr. Renwick: Thank you, Mr. Speaker. I appreciate that note. I will keep it among my memorabilia.

What I am getting at is that we are talking about the overall economic policy of the government. That is what the debate is about. You could not possibly suggest to anyone in the assembly that when the Treasurer opened his remarks on Thursday, September 23, in this House he repeated. He said, "On Tuesday, when the Premier announced the anti-inflation program, he told the House that no decision

taken by this government has received so much attention, so much discussion and so much genuine concern."

Surely those remarks are not related solely to the provisions of Bill 179. If they were it would mean that the government has lost its marbles, has lost its sense of what the province is about, because that is only one small item of what the overall economic policy of this government is about and of the straits that these policies have brought this province to in so far as its economy is concerned.

We go on in the litany of things the Premier touches on in these addresses so that the audience that listens to him must think, "My, this is a very wise man; what a grasp he has of the economic problems of his province." The verbosity is absolutely magnificent. I have touched on only four or five examples. He then goes on and talks about jobs, and he really becomes emotional about jobs in his speech.

Mr. Foulds: Frank?

Mr. Renwick: No, the Premier. Let me see if I have the right address. I rather liked the one in Halifax. He must have felt that he was far enough away from us that he could say a number of things about it.

He has this to say about the Treasurer's bottoming out theory of government, which I would guess he calls the "wringing-out" theory, but he never refers to his Treasurer when he is talking about bottoming out and wringing out the economy, the sort of shake-out theory of economy. He says that we are now on the road up after having shaken out the little guys and punished as many of them as we can; that we are now on the upbeat so that those who can profit from the economy without any restraint can go ahead and continue to profit from it.

He makes the statement about wringing out; and one can hear the pathos in his voice:

"Some have argued that these consequences are necessary to reduce domestic inflation by wringing out the inefficiencies of our market economy, but wrestling inflation to the ground at the expense of jobs is surely an untenable policy for Canadians. The economic and social costs are simply too enormous." That was said at the Premiers' conference in August.

Three or four pages later he comes back to that theme after having meandered among other topics.

"Our first priority must be to create and sustain jobs. In this regard, the sharp increase in youth unemployment demands even greater allocation of public funds to job creation for

young people. The recent federal budget provided little incentive for job creation in Canada. I believe fiscal room can and must be found for this essential activity."

I do not know whether one of the announcements this fall from the Treasurer will have something to do with youth unemployment, but I was interested, intrigued and anxious to have up-to-date information for the assembly. So, shortly before the Legislature came into session today, I got this information about youth unemployment in the province as of October 4.

The annual average unemployment rates for Ontario youth, ages 15 to 24, for the years 1978 to 1982, are as follows: 1978, 13 per cent; 1979, 11.7 per cent; 1980, 12.4 per cent; 1981, 12.3 per cent; 1982, January to August, inclusive, 16.6 per cent. The monthly breakdown for the year 1982 is: January, 16.3 per cent; February, 15.5 per cent; March, 17.3 per cent; April, 16.2 per cent; May, 16.4 per cent; June, 17.5 per cent; July, 17.5 per cent; August, 16.1 per cent.

Then we begin to slip away from the high priority of jobs and we get this kind of slide-off statement from the Premier, "But the problem of unemployment cannot be solved merely by subsidizing the creation of temporary jobs." Notice the supreme rhetorical device involved in that. Nobody has talked about solving the problem of unemployment merely by the creation of temporary jobs. I have never heard anybody say that. This is the man of straw we must knock down.

He goes on to say, "Sustaining employment domestically is closely tied to reducing interest rates, increasing trade and restoring business and consumer confidence." He continues by talking about the past Ontario program and about investment. We will have to come back and talk at some length on the question of investment because that is the trap and the open door by which he indicates we are inviting foreign investment into Ontario.

It is not very far for him then to move from that question to the value of the dollar; and he teaches some elementary economics, that the lower the dollar the higher the cost of imports and the price that can be achieved for exports, and the reverse of that. Then he goes on and talks about international trade.

5:30 p.m.

Then he comes to the General Agreement on Tariffs and Trade and we find in this assembly that we have never had a debate about GATT, but the ministers from the federal government and others are meeting in Geneva in November

of this year to talk about GATT. Why? Because GATT has been so far a disaster to this province, and the implications of GATT with respect to bilateral arrangements with the United States are causing immense havoc in Canada.

The United States Trade Agreements Act of 1979 is going to cause immense further damage to this economy, so much so that there are picayune criticisms being levelled in Washington by many uninformed people—not by informed people in Washington—about the reality of it. All this business leads to today's headline that the Prime Minister must now placate the concerns of the Americans about what is happening to us.

We do not stand a chance for the entry of our goods into the United States in the way in which the entry of American goods into Canada takes place. It is that simple. There are nontariff barriers available in the United States to protect its economy such as we in Canada have never even dreamed of. We have got to start to understand that. Again we get a throwaway statement by the Premier, and it is the first I heard about it. I suppose we are supposed to know everything about it.

I hope the Treasurer or the Premier, when they respond, will lay before the assembly what the position of this government is going to be when it goes to the GATT conference in November to find out what has happened over the past two years. The chief negotiator for Canada, who, I believe, is now in the employ of the Ontario government, has warned the Ontario government about the disastrous effects that the GATT negotiated a couple of years ago will have and is having on the economy of Ontario.

Then the Premier moves off GATT on to productivity. One of the speeches that goes back a year or so ago in Vancouver—again, as far away as he can get from this assembly to discuss economic matters—has all these topics in it, but the highlight that time was productivity. That seemed to be up front and centre with him. I do not know quite what he meant by productivity.

He seems to have a hangover solution that somehow or other working people are lazy and if they would only work harder, somehow or other, productivity would increase. That seems to be the underlying conception about it. Certainly it is mirrored in this bill that for people to keep up to date with the cost of inflation, the cost of goods in this society is somehow wrong and they must be penalized for it. It must be that

in some way or other they are not performing as they should. Productivity is not taking place.

I do not know what he intends to do about arbitration in the public sector when he reviews it, but I can warn him that if he follows the false practice of equating some kind of productivity to the performance of hard-working members of the public service at the levels of salary most of them in the province obtain, he will be on the wrong course.

I expect the Treasurer perhaps will answer that question about the covert attack—I use the word covert because I have been reading about MI5, the history of the military intelligence section in England, and I am dealing a lot in covert terms. I may say the economic policies of this government have some of the elements of comic opera to be found in incidents related to the security of military intelligence in Great Britain as well.

Having left productivity, what does he move to? Attacking the Foreign Investment Review Agency. Why does he attack FIRA, which is one of the ways this country will be able to regulate the nature of foreign investment; not stop it, just regulate it to make certain Canada will have some benefit?

He attacks the Foreign Investment Review Agency. He is delighted that the Prime Minister has indicated that the powers of FIRA will not be extended; that has been given up and Herb Gray has paid the price and has moved to some other innocuous portfolio in the world of the shuffle that goes on.

He talks then about new foreign investment not being subject to FIRA. Can you believe that in this day and age Canada is going to say that direct foreign investment coming into Canada is not going to have to meet any tests other than to come? Can you believe it? All in the name of the triple-A rating. All in the name of that. It is quite fantastic.

Then the other wrinkle, that foreign-owned companies that have been here for a long time and have established themselves as “good corporate citizens” should be free from FIRA. Who will FIRA look at? Whose concern will they have if we follow the advice of the Premier and the Treasurer of this province to the federal government about foreign investment?

Foreign investment has destroyed, and is destroying, the independence of the country; not its capacity to be isolated but its capacity to be independent and to deal with some degree of clout with those neighbours in the trading world that have clout, because we have surprisingly

little. We in this party are not prepared that the country should go on forever without some additional sense of clout.

Having dealt with FIRA, he then comes back to the need for this strange thing called “public sector restraint,” even though his government has, in theory, been devoted to it at the cost of social programs in the province, at the cost of poor people in the province.

This is the kind of information which my colleague the member for Scarborough West (Mr. R. F. Johnston) has been trying to bring to the attention of the assembly, that the levels of social assistance in this province, for people who need that assistance just to get by, is not being addressed because there has been a policy of restraint.

It is not just in the areas of people’s livelihood, it is their ability to buy food and to provide shelter, to pay the rent, to buy the necessities of life and to have some sense of dignity about it. But in the other areas of social service, in the field of education, in the field of health care, in the hospital services across the province we are paying the price for that kind of restraint.

To illustrate that, I cannot believe what the Treasurer said on September 23 when he stood in his place here to justify his program. After all of this discussion and so much evident concern, he went on about high labour costs, about the loss of jobs, unemployment, productivity, all of the litany in his particular form of melange that he put before us, he related all of those and he said:

“However, those facts in and of themselves do not necessarily justify wage controls. There is one fact I am going to give you that does tip the balance. In the last year, the Ontario public sector saw an employment increase of over 15,000 people, almost entirely in the education and health fields.”

One would think that was one of the worst things that could possibly happen in this province. Everybody knows, even the World Bank knows, that compared to capital investment the dollars which are invested in people’s health and education do more with respect to increasing the productivity of a society than any other known method.

I want members to understand that. This is no raving Socialist at the head of the World Bank. He was the defence secretary of the late President Kennedy. He was at Ford. He knows all about assembly line production and what makes cars tick. God forbid, I certainly do not.

5:40 p.m.

One has to read the last report of the World Bank to hear what it has to say, and not just for underdeveloped countries or for developing countries but for all countries. The dollar investment in health and education pays far more in productivity than any capital dollar invested. It has a twofold purpose: it is both an end and a means. It allows people some sense of dignity, some sense of movement themselves in their own individual lives, and it contributes to the economic wellbeing and therefore to the ultimate social progress of those societies.

The Treasurer of this province says what tipped him in favour of public sector wage controls was the fact that in the last year the Ontario public sector—not the public service of the government but the whole of the services of the province—has increased its job content by some 15,000 people. That remark is the key to this government's philosophy. They believe people in the public sector are not making any contribution. They believe they are a necessary convenience to the government of Ontario. They are only here to carry out certain things. They are not engaged in delivering essential services to the people of the province. It is an indication, quite clearly, that those 15,000 people should not be there, an indication that somehow or other his policies of restraint have gone awry.

It is extremely important we understand that. He did not have to introduce public sector wage controls with the public service of Ontario itself. His whole purpose was to make certain he taught a lesson to the delivery system for social, educational and health services. He has destroyed those programs and affected their viability for those under his control. But the destruction of those programs has not gone sufficiently far. He now has put his tentacles right down through to the boards of education, the departments of health and the municipalities of the province in order to make certain they get the message. That is what has happened and will continue to happen.

Let me go on with the litany. We then move from public sector restraint to international competitiveness, from there to wage restraint, and from wage restraint, God knows. I got tired of writing it down and I was only up to page 9 of his 19-page speech. One gets tired reading the Premier's speeches; one gets tired of listening to the Treasurer. They never ever seem to come out of the revolving door. They are always inside there interminably throwing out. As the revolving door turns at one entrance, they shout

out "Jobs," and at another entrance they shout out, "Productivity." Then they shout out, "Interest rates," and then, "Inflation."

At the end of the day when the door stops, it depends which topic it happens to have left in the jackpot as it goes around, and that is the sermon for that week and that is what one hears.

Interjections.

Mr. Renwick: I must say I had not thought of the revolving door, but it is damned good.

We want to try to come out of the maze. We have lived in the maze. We live in a rabbit warren here in the north end of the building and we know our way about. But we can get out of it any time we want by simple analysis and simple discussion of what the fundamental questions are in this society.

I must not go on without saying that much of what I know in this area I owe to the people, both at present and in the past, in the research area of our caucus who have worked for us on the economic aspects of the New Democratic Party's policies. We have always had some difficulty, particularly in the kinds of times in which our party was founded, in dealing with a government that is in difficulty with respect to economics.

As I said a few minutes ago, new ideas have to wait until old ideas rot or they will not take root, and that is what we have been trying to do. We have been trying over a period of time and have been able, both by empathy and by a basic sense of what this party is about, to put together sound and effective social policies, education policies and health policies. Those are not problems for us. We can express our policies with assurance, wisdom, background material and skill.

The Treasurer knows that in 1975 we came close to turning the trick of turning the government out on those issues. We learned after that that we had to move to the field of economics, that part of the Socialist tradition is that the economy has to be dealt with in a way that is responsive to the needs of people and not just as an adjunct to a profit-making machine run by the government and its colleagues in the business world. That is what we have been about. We have paid a price. The former leader of this party, the member for Ottawa Centre (Mr. Cassidy), was part of the price we paid to try to reduce to paper in an intelligible way all of the aspects of our economic policies.

Well, the paper-making time is over. Because of the work the member for Ottawa Centre did in this field, because of the work the policy people in the party did in this field, because of

the work my colleague the member for Nickel Belt (Mr. Laughren) did when he was for a considerable period of time the critic of this particular ministry and because of the way in which the party goes about its policy-making functions, the party now has sound and effective policies on the economy.

One can chart the downturn of the Conservative government on the fate of the economy. If one looks at the map, in 1974-75 there was a downturn, and we were not able to turn the trick on it. In 1977 there was another downturn, and we were not able to do it then. But I can assure the Treasurer that his government is in serious difficulty in the instability of the economics of the world, and the government is going to be turfed out.

He does not have to shout across at us about Mitterrand and how Mitterrand has come back on the road. He has not come back on the road. One has to read what is happening to understand that a right-wing government in Greece was replaced by a left-wing government; a left-wing government in Germany just collapsed and is being replaced by a right-wing government; a middle-of-the-road government in Sweden was replaced by a social democratic government. The government in the Netherlands is in great difficulty; the government in Belgium is in great difficulty; the United Kingdom replaced a very social democratic left-wing government with a right-wing government.

Why is this? It is very simple. When times are of this nature in the economics of society, people turn out governments. This government knows it. This is why this government is already talking in its private councils about 1984. This is why the deputy leader of the New Democratic Party is so right about this nonsensical extravaganza of the 200th anniversary of the province. We all know about history; we all know that tradition is important. What we were objecting to is the government of this province deciding it is the one that preserves the history of the province, that it is its private preserve.

5:50 p.m.

I know when the next election will be held in this province. I cannot put a date on it, but it will be within six months after the Prince of Wales has been here. I can assure members of that because, and I mean no disrespect to the royal family, this government has not made up its mind whether the royal family is an extension of the Tory party or whether the Tory party is an extension of the royal family.

Whatever it is, members can be certain that

somehow or other the government of this province will try to kid the people. But it will not happen any more. The Tory government in Ottawa was kicked out and we had a time of unstability in Ottawa, which we continue to have, while the only party that can in some measure solve the economic problems of both the country and Ontario, the New Democratic Party, waits in the wings. I like waiting in the wings. I like it better than being on deck. There is something more positive about waiting in the wings.

While the Liberal Party in Ottawa works out the end of its career as the government of Canada, and while this government works out the end of its career as the government of Ontario, the New Democratic Party will continue to put the reality of the economic world of Canada and of the province more clearly, more concisely and more adequately than any other single political voice has done. We are doing it and, if I may say so, we are doing it extremely well.

We are beginning to feel the heat over here. For a while the focus of the Tory concern was the Liberal Party. They used to get a lot of it, but now the attacks are coming here. We like it. The more we get, the more we know that the government is in trouble and the more difficult it will be for it to justify its position.

Time is creeping on, and I have just got through a portion of the first file. I have a number of others here and some stored away under my seat. I want to leave a question to the Treasurer before we rise. The Treasurer is so angry he does not take any notes, but I hope he will comment on some of the points I have raised. I hope he will deign to answer the questions about the Foreign Investment Review Agency, about the General Agreement on Tariffs and Trade, about productivity, about arbitration in the collective bargaining system for the public service and others scattered throughout my comments.

I want to understand why my colleague the member for Etobicoke (Mr. Philip), my colleague the member for Welland-Thorold (Mr. Swart) and my colleague the House leader of this party have this impatient little lecture from the Minister of Consumer and Commercial Relations (Mr. Elgie), or from the Treasurer himself, when they start talking about the price restraint program of the province.

I also want to know why the Minister of Consumer and Commercial Relations said to Joe Côté, if I may quote him—and I can quote

him because I can remember what he said very clearly; I leaped out of bed as soon as I heard him that morning about a quarter to eight—"I do not know about you, Joe, but I think the people out there sense there is a problem." I thought, "I am going to think about that for the rest of the day." I thought about it and it was just as inane as it sounded that morning.

What is the answer to my friend the member for Etobicoke from the Minister of Consumer and Commercial Relations about rent control? "Don't you understand, Ed, that you have to pass through these costs? Of course you can't fix the rent increase at six per cent because you have to pass through these costs."

We get the same answer when my colleague asks about the price of natural gas or oil—I forget which one. Of course they are beyond our control. Of course one has to pass through the costs, the wellhead costs and the transportation costs by the National Energy Board.

Mr. Martel: Not mortgage rates though. You can forget about mortgage rates.

Mr. Renwick: Oh, no, not mortgage rates. What the government never seems to understand is that just as those landlords and those purveyors of essential commodities in the province have to pass through their costs, so does the individual person in society.

The individual in society has absolutely no control over the interest rate on his mortgage. He has no control over his rent. He has no control over the cost of his food. He has no control over any of the essentials that are involved. But, no, he does not have to pass through those costs. He just has to take it on the chin and take the increase of up to five per cent or up to nine per cent. Why? Because the government wants to break the connection between wage demands and the cost of living. It is almost as if it wants in a Freudian way to break somebody's neck in the course of doing it.

The government is not going to do that if it allows the very commodities that people buy to have the benefit of pass-through. It is going to keep it up and to reduce the consuming capacity of the public. It is going to transfer more money to corporations, and the consumers are the ones who are going to get hurt.

The government says the program it is putting forward is to punish, to send a signal. Of all the remarks in the Treasurer's contribution in this debate, I found this the most offensive. It is the one at the end of his speech where he lists the three factors. One of the three factors is the signal from the public sector to the private

sector. That is going to be the most important one of all of the signals. That is what it is about. It is a signal he is sending to the private sector.

Why does he not tackle the private sector? He does not tackle it because the private sector is in a shambles because of the policies of this government. Does the Treasurer understand that? Does he understand there is not a single sector of this economy the policies of this government have not contributed to the state it is now in? I can see the Premier sighing, puffing and huffing.

If one looks at the auto sector one can see it because the government has not done anything about it. If one looks at the shoe wear sector the same thing is happening, as it is in the textile sector. There are all of those sectors of the economy where the policies of this government have been behind the times. They have been inadequate and have led to the kind of problems we are trying to cope with at this point. The seriousness of it has nothing to do with anything except the failure of the policies of this government.

I want to pursue this on another occasion. I cannot see the clock, so I do not know whether to start on another topic or not.

The Deputy Speaker: The member has three minutes.

Hon. Miss Stephenson: Go ahead.

Mr. Renwick: I have three minutes? What shall I do in three minutes?

The Deputy Speaker: The member can mention Bill 179.

Mr. Renwick: I think I will try to find the Treasurer's statement, so I can refer to it. No, I have something here.

By accident, I happened to read, at the same time as I read one of the Premier's speeches, the remarks of Rowland C. Frazee, the chairman and chief executive officer of the Royal Bank of Canada. It was headed, Canadian Confidence: A Long Night's Journey into Day. That would be translated to be the defeat of the Tory government and the emergence of the New Democratic Party.

Hon. Miss Stephenson: That is hilarious.

Mr. Renwick: If the government was to take the speech of the chairman of the Royal Bank and give it to the Treasurer and allow the bureaucrats in the Treasury office to shuffle the topics around a little bit and then sent it to the Premier's office for a rewrite job, one would get absolutely the identical speech, which the Premier would give anywhere.

I do not know whether or not he wishes to be chairman of the Royal Bank, but I can assure members if they follow the precepts of the chairman of the Royal Bank of Canada, they will be in serious trouble. We all know that. We all know the costs to the province, to the people of Canada and to the whole of the country by the near bankruptcy of Dome and the costs we are going to bear to bail that organization out, all in the name of a good investment—such a good investment the banks were about to pull the plug on them. But we are being told now that to get some, I think, convertible preference shares, that is a really good long-term investment for the people of Canada. That is their view of Canadianizing a company.

Members know as well as I do that the seriousness of the problem in this country is far beyond the mere attempt by this government to punish 50,000 people. It strikes at the root of the financial system. There is not a financial analyst who will not tell you that the government did not by choice bail out Dome; it had no alternative except to face the bankruptcy of Dome and the very serious consequences to the banking system of the country, which it would have had to bail out in any event.

I see it is now six o'clock.

On motion by Mr. Renwick, the debate was adjourned.

The House adjourned at 6:02 p.m.

ERRATUM

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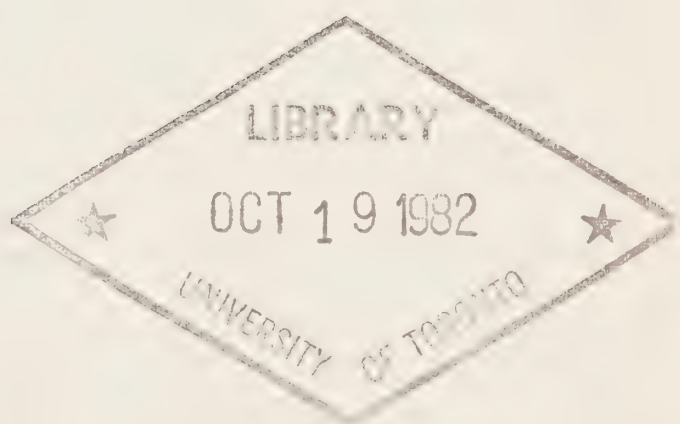


Ontario, *LEGISLATIVE ASSEMBLY*

No. 111

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, October 5, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 5, 1982

The House met at 2 p.m.

Prayers.

MEMBERS' PRIVILEGES

Mr. Foulds: Mr. Speaker, I would like your clarification and guidance on a point of privilege. It has always been my assumption that members of the House have the privilege of access to and egress from this building as they see fit.

Can you investigate why it is felt necessary to have a bus at the front door of the main Legislative Building this evening at six o'clock to carry members 600 yards to the front door of the Royal Ontario Museum just up the road, see whether or not the privileges of the House are being infringed, and ensure that those of us who wish to take a brisk stroll through Queen's Park will have access to the Royal Ontario Museum and to the House when we return at eight o'clock?

Mr. Speaker: I am not sure whether that is a point of privilege or not. Certainly it is news to me. I do not think there is anything to stop you from walking if you wish. I would think it is for those members who may be aged or infirm and would have difficulty in finding their way up there.

Interjections.

RESTRAINT ON DOCTORS' FEES

Mr. Peterson: On a point of privilege, Mr. Speaker: Referring to yesterday's Hansard, I would like to quote the Treasurer (Mr. F. S. Miller), whom I was questioning with respect to some meetings between the Ontario Medical Association and the government. He said, "I was not there, I am not privy to it and I cannot answer."

Outside the House, it is my understanding, in a quote attributed to the Treasurer from Canadian Press wire copy, he said, "Mr. Davis and Health Minister Larry Grossman are the only two involved in the talks," although he is "kept informed."

The Oxford definition of "privy," even though this government is trying to ban them, is "admitted

to, as to one sharing in a secret (to a conspiracy), or a person having a part or an interest in any action, matter or thing."

I think the clear implication is that there were two different impressions left on two different occasions within a very short space of time. I am sure the Treasurer would not want inadvertently to leave the impression he has misled anyone either in or outside the House; he would want to clear up that situation right now.

DEATH OF GLENN GOULD

Mr. Peterson: Mr. Speaker, if you will permit me, may I make a brief statement on the untimely death of Glenn Gould.

Canada has lost not only a world-renowned musical genius but a warm, witty and inventive raconteur, writer and producer of fascinating documentaries. His radio and television programs were invariably unique, intriguing, controversial and, indeed, challenging. As well as performing and composing music, he established a reputation as one of the most brilliant and lucid writers on musical topics.

While he has sometimes been described as eccentric and erratic, he has even more frequently been called an unprecedented genius, a remarkable intellect, a force for innovation and change in music and a warm and witty human being.

Glenn Gould's monumental interpretation of Bach's Goldberg Variations remains an all-time musical classic, and the more than 80 albums of Gould recordings that have long been a vital part of many music lovers' record collections will doubtless continue to be enjoyed and sought after for years to come.

His death brings an enormous sense of sadness and loss. His talent and fascinating personality have been a source of pride to all Canadians during his all too brief lifetime. His recordings will undoubtedly ensure his immortality for music lovers the world over.

Mr. McClellan: Mr. Speaker, I would like to associate my own colleagues with the words of the Leader of the Opposition.

Those citizens for whom music is an important part of their lives have probably lost

someone who was almost like a member of their own family. I can recall, when I was very young and was first experiencing classical music, attending concerts by Mr. Gould before he stopped doing them. I have listened to Mr. Gould's music for literally hundreds of hours over the course of my life, and I feel a deep personal sense of loss at his passing.

As a citizen of Toronto, I think I can say that my fellow citizens and I mourn the passing of our most distinguished citizen. We were graced in this city for a period of time to have a genius living among us. We will not forget his memory and we will continue to cherish his music.

Hon. Mr. Wells: Mr. Speaker, on behalf of the government, I would like to join in the sentiments that have already been expressed by this House.

There is no question that Glenn Gould was a world-renowned and brilliant musician, and certainly his loss at this very early age is a tragic loss for this country and for the world, and particularly the world of music.

I would certainly associate myself with the comments that have been made. I have listened to Glenn Gould many times. I have not seen him since his youth, when he and I actually went to the same school. He grew up in the Beaches area of Toronto, which is so famous and so well beloved by many people around here. He went on to achieve world renown in his field and he will be sorely missed by all of us.

I would extend to his family the condolences and heartfelt sympathies of the government and of all the members of this House.

ORAL QUESTIONS

OHIP PREMIUMS

Mr. Peterson: Mr. Speaker, I would like to ask a question of the Treasurer, operating on the premise that as the sponsor of Bill 179 he either helped to write it or participated in its writing or, at the very least, has read it at one time.

The Treasurer said on September 30 that Ontario health insurance plan fees are not an administered price. I would refer the Treasurer to part III, section 26 of the bill, where it says: "(a) 'administered price' means, (ii) a price, user charge or fee required, permitted or authorized by a public regulatory agency to be charged by another person."

I think it is important that we go on to the definition of a public regulatory agency, which means "any ministry, agency, board, commission or corporation established or controlled by

the crown in right of Ontario which approves, establishes, regulates or requires particular prices, user charges or fees to be charged for any product or service."

We can see in this case that OHIP, under the Ministry of Health, is clearly a public regulatory agency and that the price would be the amount charged to OHIP by a doctor, according to the fee schedule, for performing a particular service.

The unavoidable conclusion is that the fees charged by doctors to OHIP for insured services to patients are a price permitted by a public regulatory agency to be charged by another person. Ergo, doctors' fees are an administered price clearly falling under the act. Why is the minister defying his own legislation?

2:10 p.m.

Hon. F. S. Miller: Mr. Speaker, the Leader of the Opposition has given his interpretation. I asked for a legal interpretation on premiums and fees and was told that fees are negotiated with the Ontario Medical Association. They are not set by a regulatory body, therefore they are not included.

Mr. Peterson: I trust the minister will go back to these lawyers who gave him this opinion. I ask him, even as a layman and taking all the legal advice he wants, to read the act, the words which are in front of him and which make it clear that OHIP is a public regulatory agency administered under the aegis of the minister.

He will see that the fees charged by a physician to OHIP for performing a service fall within the definition and clearly are caught under this act. I repeat, he is defying his own legislation, and I ask why he is doing that.

Hon. F. S. Miller: That is the same question.

Mr. McClellan: Mr. Speaker, I believe this is the fifth time that this question has been raised, and each time for a very good reason, because the Treasurer has refused to answer it in a satisfactory or credible way.

I want to ask the Treasurer again how he can continue to pretend that OHIP is not a public regulatory agency when it says clearly in the act that it is any agency which "approves, establishes, regulates or requires particular prices, user charges or fees".

Is it perhaps some kind of carrot-and-stick game that the Treasurer is playing with the OMA in public, trying to pretend that they are not covered under the legislation, while at the same time others in the ministry are going into meetings with the OMA in which it is clear that they are covered under the act?

Hon. F. S. Miller: Mr. Speaker, arguments like this often end up before a judge. Laws are often interpreted in different ways by different lawyers.

To the first part of the innuendo in the member's question, that he asked the question five times because I have not answered in a credible way, this, in my opinion, would allow him, from his point of view, to re-ask any question on any answer at any time because he never thinks anything we say is credible.

Mr. McClellan: It was not an innuendo.

Mr. Roy: Mr. Speaker, does the Treasurer not realize it is his legislation? If there is any doubt about it, why does he not clear it up? Why does he not make it very clear that they are caught under this act? What possible excuse could he have, besides playing around with legalistics, that it may or may not be caught?

If I wished to accept a legal opinion, I think I would appreciate the opinion of my leader over that of the Attorney General (Mr. McMurtry). He has a better record in court.

I say to the Treasurer, if there is any doubt about the legislation, it is his legislation and he should amend it to make sure that they are caught in this. What possible justification does he have to exclude them?

Hon. F. S. Miller: Mr. Speaker, they are playing on the words "price" and "regulatory agencies." First, I would suggest that it is not OHIP which sets the price. It is a negotiating team with a person in the middle and both sides negotiating. On the basis of that, OHIP is given a schedule of fees.

ECONOMIC RECOVERY

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. On May 13 in his budget statement he said: "Because of these factors and actions, the Ontario economy should strengthen during the balance of the year. Employment by year-end should reach 125,000 over current levels."

In fact, seasonally adjusted, there has been a decline in employment up to August of this year of some 95,000, so his figures are out in the order of 220,000 jobs. What is the government going to do to create those jobs by the end of the year?

Hon. F. S. Miller: Mr. Speaker, would that I were always right. One of the great advantages of being in the opposition is that one is always right. We are not always right because we are given the task of trying to run the government and do the best we can.

That happened to be the best set of advice that economists in general were giving to me in May—not just my economists, but economists from a number of other places. I wish it had been totally accurate.

I would argue with the Leader of the Opposition that the malaise in recovery of the economy of the United States, as well as our own, has obviously postponed that improvement.

I have told him before that I am working with the federal Minister of Finance and I hope very shortly I will be working with the two new ministers, the Minister of State for Economic Development and the Minister of Industry, Trade and Commerce, to see what we can do. I believe we have found a degree of co-operation there that will help us resolve some of those problems as they must be resolved, on a national scale.

Mr. Peterson: I can understand the Treasurer trying to blame his economists. Ultimately, he is the one who decided which advice to take, he is the one who took it and he is the one who put that statement forward in his own name. He should not try to escape responsibility.

The Treasurer said on March 12: "We are at the very bottom at the moment. From here on the total growth will be quite commendable throughout the year." When he was referring to total growth in that statement, was he referring to total growth in unemployment?

Hon. F. S. Miller: The Leader of the Opposition seldom likes to recall the years we were right, does he? We made predictions in a number of years that were even exceeded. This is the first year so far we have been on the wrong side.

I do not know whether the fourth quarter is going to show the upturn we had hoped would occur in the third quarter. There have been very faltering signs that it will. There are still people telling me it will improve between now and the end of the year, but I must admit they are fewer in number than they were. I am as anxious as the honourable member to see that improvement.

We are working and we have taken steps. We have spent quite a bit of money in this province, over half a billion dollars this year, in trying to stimulate the economy one way or another, and stimulating the economy creates jobs. The fact that the economy has still gone down does not mean that our efforts were without reward or result. It just means there are that many fewer people unemployed than there would have been.

Mr. Cooke: Mr. Speaker, the Treasurer will be aware that over 100,000 more people are out of work since his budget came down. The reality of the situation is that the economic problems in this province have deteriorated considerably since May 13. All he has called for at this point is a meeting of finance ministers across this country.

As the Treasurer of the province that is supposed to be the manufacturing heartland of Canada, what is he prepared to do right now, before we adjourn in December, in order to create jobs? Or is he saying it is solely the responsibility of the federal government and he is not prepared to bring in either a mini-budget or an economic statement or something that will create short-term jobs for this winter, which promises to be long and cold for 700,000 families in Ontario?

Hon. F. S. Miller: I would refer the honourable member back to the statements made on September 21 when the Premier (Mr. Davis) and I introduced the present bill. We then called upon the federal government to work with us, as the Premiers had done in August. We hoped that would be the route followed.

In the absence of that, we said Ontario was prepared to do those things it could do. I recognize the problems of the fast shuffles going on in Ottawa these days. I wish they would leave a minister there long enough to get used to a portfolio. It does happen that right now we are not able to get them to talk to us. In a week or two—

Mr. Wrye: That is a terrible excuse.

Hon. F. S. Miller: Do not say that, because it happens to be true. For nine months we have not been able to get the Ministry of State for Economic Development to talk to us because they did not know what their role was. One can deliver a baby in nine months; surely they can deliver a program in nine months.

We are intending to try to establish those contacts. I hope the member would accept the fact that it is better to work on a national scheme.

It is nice to see the Liberals reacting. Any time it hurts they get noisy.

Mr. Sargent: Mr. Speaker, the government could open up a lot more jobs if it would change the policy at Bruce B. There is a surplus of power there now. They are working overtime—what the hell for for I do not know—but they are employing a lot of people working 70 hours a week, drawing down about \$2,000 a week in salaries.

They could go about changing the policy to make them work only two shifts a day instead of these fellows working overtime. One group came there in March and they are walking out with \$50,000 to \$60,000 by working 70 hours a week. More jobs could be opened up.

2:20 p.m.

Mr. Speaker: The member does have a question I hope.

Mr. Sargent: Why does the minister not change his policy to change it from overtime to two shifts a day to open up more jobs?

Hon. F. S. Miller: Mr. Speaker, I see that the member has taken a new step in the economy drive by having a detachable collar on a brown shirt.

Seldom do I have a member stand up and complain about too much work in his riding or in his area, but he has consistently done that.

Mr. Bradley: You have not had one today.

Hon. F. S. Miller: I understood what he said. The fact remains, I would suggest my colleague the Minister of Energy (Mr. Welch) can probably answer the details better.

I suspect there are certain work agreements in place there that are being honoured at this point and I am not sure they can be changed.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Labour concerning the government wage confiscation program. Yesterday, in response to a question by myself, the Treasurer admitted that the government was abrogating contracts but said, "We are not taking wages away."

I now want to put to the minister this very simple question. Does he agree that his government is in effect going to rip up agreements that were signed by employers?

Let me put this example to him. I have in my hand a contract between Local 1565 of the Canadian Union of Public Employees and Barton Place Nursing Home. The contract runs from January 14, 1981, to March 1, 1984. Does the minister agree that the 101 employees in this contract will have their agreed-upon wages taken away from them?

Hon. Mr. Ramsay: Mr. Speaker, I can only repeat what I have said on other occasions in this Legislature, that regardless of what date might have been selected for the wage restraint package there would be collective agreements affected accordingly.

I would also repeat what I have said on other occasions in this Legislature and to the media. No one on this side of the House is comfortable about circumstances such as these, but these are very unique, difficult times and we have to worry not only about people who are working but also, to a much greater extent, about those people who are not working.

Mr. Foulds: I would like the minister, for all of his concern, to explain to me—in this one example of 101 workers, 97 of them women, who will have about \$154,000 of their 1983 wage package confiscated—how this is going to create one job. How is that going to put people back to work?

Does he not understand that thousands of workers like these have made commitments based on what they assumed to be a binding contract and agreement? They may even have gone out and bought a fridge on credit; they need to meet the payments. They may have decided to send their children to college or university on the basis of the signed binding agreement.

What advice does he have for those workers who once believed that a signed contract, signed either in the private sector or by the crown in the right of Ontario, was indeed a binding agreement?

Hon. Mr. Ramsay: Perhaps I can use my own home riding as an illustration. We have over 4,000 hourly rated employees off work at Algoma Steel. In addition to that, the salaried employees, who also have an agreement, have now gone or shortly will be going on a work-sharing program.

They have had their wages frozen. They will not be getting any increase this year or next year. They have had their bonus plan taken away from them. These salaried employees who do have an agreement will actually be making 20 to 30 per cent less this coming year than they are at present.

Here is a circumstance where these people the member is referring to will still be getting an increase. I can give hundreds of examples where people will be getting no increase, will have money taken away from them.

[Interruption.]

Mr. Speaker: Order, please. I must advise our visitors in the gallery that they are here as guests of the assembly and they are not allowed to partake in any demonstration or any voicing of opinions. I would ask them—

Mr. Sargent: We need all the help we can get.

Mr. Speaker: Yes, but I would ask them to please refrain from any kind of demonstration.

Mr. Wrye: Mr. Speaker, taking into consideration the minister's first remarks about he and his colleagues not liking to bring in any kind of legislation like this, I would like to ask, keeping in mind his understanding of the fact that those on the low end of the wage scale have been most hurt by the high interest rates and the high rate of inflation, why he did not lobby more intensely within cabinet?

Why was he not more successful in bringing in a greater degree of protection for those who are earning below \$20,000? The very niggardly amount of money would raise the salaries, I believe, 6 2/3 per cent.

Also, if there are going to be takeaways from employees, has he insisted that all of that money—estimated anywhere from \$480 million to \$800 million—be poured back into the economy to create jobs so that as Minister of Labour he does not become the minister of even greater unemployment?

Hon. Mr. Ramsay: Mr. Speaker, I am not going to hide behind cabinet confidentiality and say I did not support the wage package. I did, and I do. As I said before, I support it only because these are very unique times. When the Anti-Inflation Board program came along that was fighting inflation in good times. Now we have to fight inflation in bad times. That is the big difference.

In response to the honourable member, I did lobby in cabinet for consideration to those in the low-income positions. That lobbying was obviously listened to and addressed in the final package because the minimum-level increase is up to \$1,000.

Mr. Foulds: Can the minister or any government member tell me how slapping these controls on the low-paid workers in the public sector has created or will create one job? That question has never been answered in this House.

Can the minister tell me how he, as Minister of Labour, is going to build up the trust that is necessary between his ministry and the labour movement when his government has just ripped up contracts it has legally signed? How is the minister going to put those contracts back together again?

Hon. Mr. Ramsay: This provincial government did address the matter of those in the low-income positions, unlike the federal government in its six and five program.

Let me say in conclusion that the Ministry of

Labour represents both organized and unorganized labour, both employed and unemployed labour, and right now the number one priority we have is the unemployed labour force.

2:30 p.m.

HEALTH CARE PREMIUMS

Mr. Foulds: Mr. Speaker, I would like to put a question to the Treasurer about the prices in the health care field. Is the Treasurer aware that Blue Cross premiums are rising by as much as 65 per cent this year? Is he aware that the implementation of the so-called business-oriented new development program in April of this year set a new policy allowing hospitals to set their own market prices for private and semi-private beds and to increase the number of beds as a means of raising revenue? Is he aware that the 250 hospitals in Ontario have increased their prices for these beds by an average of 25 per cent since that time? Are these bed prices administered prices, and will the government be controlling them?

Hon. F. S. Miller: Mr. Speaker, the actual percentages are something I could not attest to. The member said 65 per cent, and for the sake of argument I will accept that figure. I assume he is correct and has taken the time to check it.

That is an insurance program, and it reflects the costs of the service. I think the member would accept the fact that people using semi-private accommodation these days either have purchased insurance to cover it or are seldom the people whom the program was designed to cover with the maximum degree of coverage, i.e., those people who could not afford anything at all out of their own pockets. We still provide the bulk of beds in the public hospitals, as I understand it, at no cost at all. I would suggest to the member that most hospitals, when there has not been a public ward bed available, have waived the semi-private cost for patients who did not elect to go into semi-private care.

Mr. Foulds: Aside from the misconception that the Treasurer has indicated in his answer, because he is allowing OHIP fees and charges to increase, does he not understand that the increased hospital bed prices are the reason given for the subscriber fees to such insurance plans as Blue Cross to increase, that their increases took effect on June 1 of this year and that in one category of their subscribers, including over 200,000 people, the overwhelming majority of whom are over 65, the increase is 65 per cent?

Is the Treasurer aware that Blue Cross does not see the need to hold down the prices because they do not fall under the provisions of the government's price restraint program? Does he think that a widow who is a senior citizen living in Toronto and who has had her rates increased by 56 per cent just for extended health care costs is not in need of having the prices held down?

Hon. F. S. Miller: I find some inconsistency in the honourable member's questioning. He usually stands up and complains bitterly because doctors are permitted to opt out and because somebody may, at his own discretion, have to have an extra charge.

The system provides no-cost care for those who want to have it. If one elects to have other services over and above the basic services, one can insure for them or pay for them. We have made a decision to give the hospitals some incentive to keep that money for services they see as necessary at the local level. The member cannot be for one and against the other.

Ms. Copps: Supplementary, Mr. Speaker: Does that delivery of service include a change in price from zero to 90 cents per day, which is being charged in some Toronto hospitals for the use of a telephone by some patients who cannot even speak on the telephone?

Hon. F. S. Miller: Mr. Speaker, again, a telephone is a service that is installed in your room if you wish to have it. You do not have to have one.

Mr. McClellan: Mr. Speaker, this is as mysterious as the question about the OHIP fee schedule.

Interjections.

Mr. Speaker: Order.

Mr. McClellan: Supplementary: Is the Treasurer not aware that fees for preferred accommodation are set by the Ministry of Health and therefore fall under the purview of section 26 of the administered prices section of Bill 179? Not only that, is he not aware that the Blue Cross premium increases, which take place in order to cover the increase in the fees for preferred accommodation, have to be approved by the superintendent of insurance, an official of another ministry of his government? Surely he cannot pretend ad infinitum that everything to do with health is excluded from his so-called anti-inflation program.

Hon. F. S. Miller: I go back to the basic point,

Mr. Speaker. Those are services people elect to have over and above the basic services.

FREEDOM OF INFORMATION

Mr. Breithaupt: Mr. Speaker, I have a question of the Provincial Secretary for Justice, and I wish to remind him of an anniversary. On September 29, 1981, just a year ago, the minister announced the establishment of a task force to draft a position paper with accompanying legislation on the subject of freedom of information and protection of individual privacy.

At that time, the minister promised a white paper by December 15 and expressed a desire to hold hearings throughout the winter and spring. On December 17 the minister stated, "I want to assure members that this paper is near completion and will be introduced early in the new year."

It has been a year since the minister established that whole operation. Where is the position paper and when will he be putting it before the House?

Hon. Mr. Sterling: Mr. Speaker, first, it is important to point out that I indicated I would produce the paper by December 15 in reply to the question by a newspaper reporter asking when I expected I would be able to present it. I replied that I was aiming for December 15. It is my intention not only to produce a paper, but to produce a piece of legislation this fall.

Mr. Breithaupt: That task force was apparently somewhat silently disbanded in April, and we have that December assurance that a list of indexes for personal information would be held by the ministries. When we called five ministries, only one of them knew of the index and had a copy in its library.

Can the minister advise us when we are going to see draft legislation? Has it been on hand since April, and if it has not been dealt with by cabinet, why not?

Hon. Mr. Sterling: There have been a number of drafts in terms of the legislation. As can be imagined, this is a very complex area of law. It involves 26 ministers, and I have attempted to consult all of them. I have redrafted the legislation on many occasions. There is a draft that presently exists and that I hope will receive final approval in the very near future.

Mr. Cassidy: Will the minister not agree that the reason he is having difficulty in bringing forward freedom of information legislation is that there is not a commitment on the part of the government to bring it through? Would it not be

correct to say now that the minister's major task as it has been given to him is to delay introduction of any legislation like this until after the 1984 election?

Hon. Mr. Sterling: Mr. Speaker, my answers are no and no.

LIMITATION OF IMPORTS

Mr. Swart: Mr. Speaker, I have a question for the Premier. The Minister of Labour (Mr. Ramsay) today gave as one of the Premier's justifications for public sector wage controls the situation of increasing job insecurity in the private sector. My question to the Premier concerns one of the causes of that job insecurity and how his government could directly address it.

I have here with me two products of the Gray Tool Co. of Brampton, a company the Premier well knows and a company that classes itself as the largest tool company in Canada. Both these products are clearly marked "Gray Canada" and have the half maple leaf symbol of the company. In fact, both products are made in Taiwan, as are many of the company's other products.

Is the Premier not aware that this is the kind of contracting out to foreign sources of supply that leads not only to job insecurity but to an actual loss of jobs in the private sector?

Will his government respond to the situation by doing three things: introducing legislation requiring that all imported products be clearly marked as imports; introducing legislation to establish a policy clearly limiting government purchasing of such products; and, finally, admit that no matter how forceful the government's attack on wages, it will do nothing about companies like Gray Tool Co. which import goods we can produce right here in this province and nation?

2:40 p.m.

Hon. Mr. Davis: Mr. Speaker, I am probably not as familiar with that company as is the honourable member. I do know that it is located in that great city of Brampton, along with many other great industries.

I think the member asked me three questions. First, will we, as a government, ensure that every product being brought into Canada is labelled as an import? If one checked the jurisdictional rights of this province to require that, I think one would find that that is probably impossible.

I might also point out there may be several

fields of endeavour where one would not want that to happen. I think of the automotive sector. I am not sure that in every case the member wants a "Made in USA" sign on a car that comes in here because I guess our neighbours would reciprocate by having a large "Made in Canada" sign when the vehicle is made in Windsor and travels over to Detroit, particularly from the Chrysler plant where, with the rather larger vehicles today, they have been working longer shifts than they have been in some other parts of the Chrysler organization in Michigan. That is brought to my attention by the governor of that state on occasion.

Mr. Wrye: You didn't support Chrysler.

Hon. Mr. Davis: Who did not support Chrysler?

Mr. Wrye: You didn't.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: I just love that sort of interjection. We have supported Ford. We have supported the new diesel plant. The members opposite have been critical of it. The only time they come is when we open the plants; then they sit there and take all the applause. They are there then.

Mr. Speaker: Order.

Mr. Swart: Mr. Speaker, I do not think he answered the question.

Hon. Mr. Davis: I was getting around to the Perkins-Massey diesel plant. Members opposite opposed that. I will make a prediction for them—

Interjections.

Mr. Swart: I regret that the Premier did not answer the rest of the question and that he answered the first one wrongly. The constitutional authorities say, although it may have been delegated by the Premier's wishes to the federal government, the province does have such authority to designate the products that are sold as to the country of import.

I have with me a catalogue from Gray Tool Co. I want to send a copy of one page over to the Premier. It has marked on it those products that are no longer made by the Gray Tool Co. It was given to me by Mr. Dave Ryan, who was a seven-year employee of Gray and who found the situation so reprehensible that he quit in protest against such practices.

The Premier will note that it shows pliers, hammers, crescent wrenches, vise-grips, pipe wrenches and sockets. A shipment of 243,000 sockets came into Gray Tool from Taiwan on

Thursday of last week. More than one million sockets have been imported in the past year. Employment has gone down from 160 to 150 in the past year. At Haun Drop Forge Co. Ltd. in Welland, which is owned by Gray Tool, employment has gone down from 55 to 25.

Will the Premier explain what steps he intends to take to tell Gray Tool and other companies like it that they are part of our economic problem and that they can no longer take our market for granted?

Hon. Mr. Davis: I have not discussed this with Mr. Gray. I must confess that I do not know Mr. Gray very well. I may have met him. I am sure I have; I would be surprised if I had not. I would be delighted to discuss it with him. But I will tell the member what part of Mr. Gray's answer will be—

Mr. R. F. Johnston: This is just the way they destroyed SKF.

Hon. Mr. Davis: No. I will tell the member what part of Mr. Gray's answer to me will be, and it will be fairly simple, that in a rather competitive marketplace he can purchase these at a much lower unit cost than he can produce them here. I am sure that is what he will say.

I say to the member for Welland-Thorold that is part of the problem facing the economy of this country and, with great respect, that of the United States. That is one of the difficulties we are trying to come to grips with, and some of the member's tirades and philosophical positions do not help in the resolution of that problem one whit, I should tell him.

Mr. Swart: On a point of privilege, Mr. Speaker: The Premier says he does not know anything about this. May I remind him that the president of the union, Mr. Tom Vardy, phoned six months ago for an appointment to bring this to his attention but has never received a reply up to this time.

Hon. Mr. Davis: On that point of order, Mr. Speaker, with great respect, I did not say I did not know anything about it; I said I did not know Mr. Gray very well, if at all.

Ms. Copps: Supplementary, Mr. Speaker: I can appreciate the fact the Premier may state he has very little control over the private sector. In view of the advertising his own government has undertaken to urge Canadians to buy Canadian, I wonder if he can explain to the members of this House and to the people of Ontario why his own Ministry of Correctional Services in the municipality of Hamilton-Wentworth was recently serving peaches, to be eaten by prisoners in the

Hamilton-Wentworth Detention Centre, that had not been grown in the Niagara fruit belt of southern Ontario but had been purchased in South Africa?

Hon. Mr. Davis: Mr. Speaker, I am glad the honourable member asked me this question because the member's party has a Confederation dinner coming up on October 29, and I have received an invitation from Mr. Cohon, the chairman of that dinner, to establish greater communication between the Liberal Party of Canada and the business community.

I would suggest that, while her leader will not go, although I understand that in spite of his criticisms of the prime minister of Portugal he was at the dinner for the prime minister last evening, she should talk to her leader and have him talk to his brother to have him explain to the other ministers of the crown from Ontario that—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: —it is time the federal government did something about the importation of food from offshore. That is where the responsibility lies, and it is time the Liberal Party did something about it.

RELEASE OF DANGEROUS OFFENDER

Mr. Kolyn: Mr. Speaker, I have a question of the Attorney General.

Interjections.

Mr. Speaker: Order. I have recognized the member for Lakeshore.

Mr. Kolyn: The Attorney General and, indeed, this House will recall the events of last May when Gary Alexander McCorkell, a suspect wanted by the Metro Toronto police in connection with the sexual assault and attempted murder of a child living in my constituency, fled to the United States.

Since then Mr. McCorkell has been indicted by a Tennessee court for the aggravated rape and kidnapping of a 10-year-old boy, a crime allegedly committed in August. Mr. McCorkell, who was previously convicted of child murder and paroled only seven months before the alleged May incident, is presently fighting extradition to Canada to face that charge.

Given that Mr. McCorkell said in a recent interview that he was unprepared to go back out on the streets when paroled, and given that he remarked, "If there is a chance of attacking another boy, I prefer to be locked up," will the Attorney General consider a review of parole

laws for individuals such as Mr. McCorkell and specifically tighten parole procedures so as to prevent this heinous crime from ever happening again?

Hon. Mr. McMurtry: Mr. Speaker, as the member for Lakeshore well appreciates, this is a matter that the federal government is looking at very seriously. The federal Solicitor General has stated that he welcomed a recent court challenge that was launched by the National Parole Board, which did not want to release some into the community by reason of the danger they believed this individual represented to the community. It would appear that these laws, which are undoubtedly of concern so far as dangerous offenders are concerned, are under active review by the federal government.

I might say that in our role as the provincial Attorney General we have launched a number of successful applications to declare people who fall into that category dangerous offenders. We have been successful in a number of these applications, which means that these people cannot be released into the community until they have satisfied a board of doctors or psychiatrists that they are a reasonable risk.

Mr. Kolyn: Can the Attorney General inform this House if present laws guarantee that Mr. McCorkell will remain locked up for as long as his sickness prevails? If not, will he consider such laws?

2:50 p.m.

Hon. Mr. McMurtry: As the honourable member appreciates, and he has already indicated so, there is a warrant out for Mr. McCorkell's arrest. Extradition proceedings are now under way in the United States to return him to face trial in Canada. There are some state authorities in the US who want him to face trials there before he is returned to Canada. If he does return to Canada, he would be a candidate for dangerous offender proceedings.

FRANCO-ONTARIAN SCHOOL TRUSTEES

Mr. Roy: Mr. Speaker, my question is to the Premier. I wonder if the Premier understands and appreciates that as a result of the latest decision by his government, led by the Minister of Education (Miss Stephenson), to scuttle all major changes to representation on school boards in the Ottawa-Carleton area for adequate and proper francophone representation up to 1985—there will be no changes until 1985—a leading member of the Franco-Ontarian community here in Ontario has stated that all

Franco-Ontarians should boycott all committees, all co-operation and all consultation with his government.

There is such frustration in the community that l'Association canadienne-française de l'Ontario, the major Franco-Ontarian association, has said that from now on, in order to achieve justice and fairness in representation on school boards in obtaining proper French-language education, it is going to take this government to court, pursuant to section 23 of the Constitution. Would the Premier care to comment on these developments?

Hon. Mr. Davis: Mr. Speaker, I am not familiar with some of the information the honourable member has been referring to. I can recall a very short time ago meeting, along with the Minister of Education, my colleague the Minister of Intergovernmental Affairs (Mr. Wells) and others, with representatives from ACFO and several other Franco-Ontarian organizations. They met with us in response to a request I made of them in terms of developing certain tentative proposals for the administration of the Franco-Ontarian or francophone part of the educational system.

As I recall, and I am going by memory, I pointed out to them at the outset that the government was reluctant to see what was their initial suggestion to us, the creation of another school system. That was basically what they were requesting; that is, French language boards started out initially as sort of an experimental or pilot project in the Ottawa area. I think they understood the logic that if the principle was sound there, because one cannot relate it just to numbers the principle would also have application in other parts of northeastern Ontario and perhaps in Essex county, etc.

I asked them to explore the possibility of some other sort of approach. They came in with a report.

Interjection.

Hon. Mr. Davis: Let me finish. I did not interrupt the member. If he is going to take this question seriously, let me try and explain it to him.

We met with them at some length. We had assessed the report very carefully and we felt there were some administrative and educational problems inherent in their recommendations. I acknowledge that the unfortunate part is that this was being discussed and was coming to a head at the same time as the November elections, which makes it rather difficult, but I was

prepared to set some time frames. I think I suggested in one of the responses that it be by the end of December—the minister can correct me if I am wrong—and if we could reach some measure of agreement, we could have a draft bill which would then define the policy. We would have this ready for some form of public discussion or consideration by ACFO and the other organizations involved in this issue by, I think, some time in March or April.

That is my recollection of the discussions and that is what I have communicated. I understand there is frustration on the part of some people, but we are trying to find a workable solution, something the administration of the school system that is publicly acceptable. It is not an issue we are taking lightly, but I say with the greatest of respect that it is not the easiest issue to resolve. They have a commitment from me and from the government. We are prepared to put certain time frames on it and come up with a draft bill related to the school system. I think the date I used, and I am only going by memory, was some time in March or April.

Mr. Roy: Does the Premier not understand, and certainly this will be confirmed by the minister, that each and every member of that committee was clearly under the impression that these changes would take place and be ready—and that commitment was made tacitly by the Minister of Education—for the fall elections of 1982?

The person I quoted as saying that Franco-Ontarians should boycott all further discussion with the government is none other than Gisèle Lalonde, a Conservative candidate in the provincial election of 1977 and a confidante and strong supporter of the Minister of Intergovernmental Affairs. She has clearly stated that the government is not to be trusted, that it has deceived them and they are no longer to co-operate with it.

In view of this frustration, does the Premier not think it is time that he change the Minister of Education? Does he not think he should send her off to do something less sensitive and replace her with someone who has a better understanding of and is more sensitive to the aspirations of the Franco-Ontarian community?

Hon. Mr. Davis: I will get around to that last observation because I am always delighted when members opposite try to reorganize the cabinet for me. Elmer Sopha was far better at it than any of the Liberal members sitting in the front benches. It always gave me an opportunity to reorganize the front bench of the Liberal

Party, but there are such slim pickings there at the moment it is impossible to do. Those were great days.

Mr. Breithaupt: There are no slim pickings because of René.

Hon. Mr. Davis: The member for Kitchener is very vulnerable. He should be careful.

One of the unfortunate things was that Gisèle was not at the meeting. She was the former head, as the member knows.

Mr. Roy: I believe Gisèle.

Hon. Mr. Davis: I am not arguing with her at all. I think she is a very intelligent lady. Certainly she had the intelligence to select the right political party, there is no question about that. I hope when Gisèle has had an opportunity to discuss it with the minister and myself she will understand the problems we experience.

Sometimes the members of the opposition parties accuse us of not listening to others. Certainly this is a sensitive issue for the Franco-Ontarian community, there is no question about that, but we also have to involve the school system generally. That report was circulated to various school boards, teacher organizations and trustees. They were seeking from us an opportunity for a further reply to that report. I have listened to some members opposite who say we do not pay any attention to these representations. I can only say I would hope Gisèle will reassess what is a personal point of view.

My expectation is that we will be meeting with ACFO and others on this issue before the end of the year. We told them the consultation process would be completed by the end of the year and we felt we could have a draft bill available fairly early in the spring. I hope that timetable will be followed.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the delays have now ensured that no electoral change in the representation of Franco-Ontarians on school boards can take place until late 1985 for the 1986 year, will the government in the meantime in the course of the next few months act by legislation in order to strengthen the power of the Languages of Instruction Commission of Ontario so it can back up recommendations coming from French-language advisory committees to boards of education?

Hon. Mr. Davis: Mr. Speaker, I sent a letter but perhaps the honourable member has not seen it. If he talks to some of his friends, if he gets away from the university back to his riding some day, he should ask them about it. He will

find that point 4 in the letter made specific reference to that particular point when I told them this was under consideration. The member should check with them, visit with his constituents, and he might find out that is the case.

3 p.m.

RIGHT HOUSE CLOSING

Mr. Mackenzie: Mr. Speaker, I have a question of the Minister of Labour. Was the minister given any advance notice, either by the Canadian management of the operation or by its head office, Mercantile Stores of New York, of the decision to close one of Hamilton's oldest department stores, the Right House, in business since 1893, which will result in the loss of another 179 jobs in Hamilton?

Hon. Mr. Ramsay: Mr. Speaker, I received a letter within the past few days advising me of the closing.

Mr. Mackenzie: I ask the minister whether he and his government do not now see the danger to retail operations, when there has been a very high level of bankruptcies and many of them may be operating close to the line, in this restraint legislation we now have before us. For example, it will take more than \$12 million in purchasing power out of the city of Hamilton and well over \$400 million out of Ontario from the pockets of ordinary people, usually low-income people, who need to spend every cent to live.

Has the minister done, or is he prepared to do, any kind of a study or projection to indicate what the results of this restraint program might be in the effect on many small or marginal retail operations in this province?

Hon. Mr. Ramsay: I think that is a reasonable request. It is a matter we should be reviewing and doing a study on. I will be pleased to look into that.

Ms. Copps: Mr. Speaker, does the minister take the closing of the Right House as final proof that the bus strike that crippled our community in the past few months was a very serious one and not simply "no problem," as his advisers and people from the region advised him? Right House is the first. We may have others to go, and the government has done nothing to try to help the people in the community of Hamilton.

Hon. Mr. Ashe: Baloney.

Hon. Miss Stephenson: That is balderdash.

Hon. Mr. Pope: What have you done?

Mr. Speaker: Order.

Hon. Mr. Davis: Was the strike on while you were in China, Sheila?

Mr. Bradley: At her own expense.

Mr. Speaker: The Minister of Labour.

Hon. Mr. Ramsay: Mr. Speaker, I am surprised to hear the honourable member try to tie the two things together. The problems of that company—

Ms. Copps: There was a strike for four months in downtown Hamilton. Can you not see the connection?

Hon. Mr. Ashe: Did you bring a rickshaw back from China?

Mr. Bradley: She paid her own way there.

Mr. Speaker: Order.

Hon. Mr. Ramsay: I do not think there is anything I can add to a question of that nature. This government did everything possible to resolve that dispute in the best interests of all the parties concerned.

STUDENT LOANS

Mr. Gordon: Mr. Speaker, I have a question for the Minister of Education. Is she aware that at present the banks in Ontario are discriminating against students and their parents in northern Ontario? The students who attend Northern College of Applied Arts and Technology in Kirkland Lake have to travel as far as North Bay, Sudbury or Timmins to get a student loan through the Bank of Montreal because the bank has set up referral centres to make it more difficult for them.

Is the minister aware that many of these students were unable to work this summer in the north and that many of their parents were laid off? Is she also aware that the Toronto-Dominion Bank is discriminating against francophone students in the north because it will not give them loans unless they have had accounts with these banks for at least six months?

Is she aware of these facts and is she ready to go to the federal minister, Gerald Regan, or to the banks and talk to them?

Hon. Miss Stephenson: Mr. Speaker, I hope the honourable member is fully aware of the fact that no student in northern Ontario or in any other part of Ontario has any major difficulty with the banks in acquiring an Ontario student loan.

I believe the matter that has been raised by my colleague is the Canada student loan, which is negotiated between the office of the Secretary

of State of the federal government and the banks at the federal level for all of Canada.

It is my understanding that because there has been such a favourable interest rate for the Canada student loan, the banks are suggesting that the interest rate should be raised and that they are using certain tactics to try to persuade the federal government to renegotiate the basis of the Canada student loan.

We have informed the Ontario Federation of Students, because we heard from them about this one year ago, that we have also communicated with the staff of the office of the Secretary of State on several occasions on behalf of students across Canada, asking that he please ensure these harassment tactics are reduced or eliminated.

It is not just the students in Ontario who are suffering. This is happening to students from coast to coast in Canada. It is a matter that should be resolved very rapidly on behalf of the increasing number of students requiring student assistance through the Canada student loan.

Mr. Gordon: The minister really is telling this Legislature that the banks, now that they have finished with many of the home owners and the farmers, are going to put the boots to the kids in this country. The young people are the future of this province and this country; there are very many of them, and we cannot allow the banks to put them to the wall.

I would like to see the minister convene a meeting of the Ontario cabinet, the education ministers from the various provinces and the banks. Will the minister do that?

Hon. Miss Stephenson: In this month, October 1982, the ministers of education of Canada will meet the fifth Secretary of State in four years at the federal level. We shall most certainly express to Mr. Joyal our extreme concern about this matter. We would be very pleased to meet with all the representatives of the banks across Canada, but we feel we really should do that in company with the Secretary of State, who is primarily responsible for this program.

Mr. Sweeney: Mr. Speaker, has the minister had any feedback as to whether there is any direct relationship with the income of the families of those students who are having the most difficulty with the banks?

Hon. Miss Stephenson: Mr. Speaker, as the honourable member knows, in Ontario the problem may not be quite as difficult for students from low-income families as it is for their counterparts in other provinces, since

those students can apply for and receive the student grant program under the Ontario student assistance program. In many cases that may preclude the possibility of a large loan.

We have information about the level of family income for those students who qualify for the grants under the Ontario student assistance program and I can tell the member, as I have told him before, that about 75 per cent of those students come from families where the total family income is at or below the Ontario mean.

While the Ontario situation is important, we must realize that the problem is perhaps more serious for students in other parts of the country where this grant program is not available. Many of the students in those areas are probably being hit harder than are Ontario students.

3:10 p.m.

Mr. Laughren: Mr. Speaker, in view of the genuine concern expressed by the member for Sudbury (Mr. Gordon) about the treatment of students by the banks in Sudbury, and in view of his suggestion that one of the options concerning problems in the resource sector might be nationalization of Inco and Falconbridge in the Sudbury area, is the minister now going to consider nationalization of the banks in view of the fact that the member for Sudbury will not get any donations from them in the next campaign anyway?

Hon. Miss Stephenson: Mr. Speaker, I listened very carefully to the member for Sudbury, and his concern is extremely genuine; he has communicated with me directly about this problem as well. I do not believe that at any time he suggested the banks should be nationalized. I believe what he suggested was that we should have an intensive conversation with the banks in the hope of persuading them to act in a more appropriate fashion.

PETITION

CANCER TREATMENT

Mr. Martel: Mr. Speaker, I have a petition signed by some 3,400 people which says:

"In view of the dramatic recovery made by terminal cancer victim Stephanie Kusan directly attributed to the will of God and treatment given by Dr. S. R. Burzynski of Houston, Texas, we the undersigned demand the following action be taken at once by your ministry:

"(a) That this more humane and effective method of treating cancer be explored more fully and that this treatment be made more available to all Canadians afflicted with termi-

nal cancer who cannot otherwise be treated in Canada; and (b) that the Kusan family be given full financial assistance to cover all medical expenses and surgery to ensure Stephanie's complete recovery."

That petition is for the Minister of Health (Mr. Grossman), and it has 3,400 signatures requesting those two forms of action by the minister.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Renwick: Mr. Speaker, I was about to conclude some of my preliminary remarks but, fortunately, I had a period of time to consider them overnight and it may be that it will be necessary to deal in a preliminary way with some of the matters referred to in Bill 179 before moving on to the substance of the bill.

However, my esteemed colleague the member for Renfrew North (Mr. Conway) had asked me about the chart I had—and it is always difficult to describe a chart for the purposes of Hansard—which indicated a correlation between the downturn in the popularity of the Conservative Party in Ontario and the economy.

I have that chart here. Needless to say, one can see the dips. The dips coincide with the downfall in the fortunes of the Conservative Party just as when the economy was on the rise, it indicated an upturn in the fortunes of the Conservative Party.

Some people may think that is a rather Marxian interpretation of the fortunes of the governing political party. But it is no coincidence that the economic affairs of the province were at a peak in 1971, and it is no coincidence that they were at their nadir in 1975 when the Conservatives just about lost the government of the province.

The economic affairs of the province recovered to a certain extent in 1977, and members will recall the alacrity with which the government assessed a slight dip in the fortunes of the province and called the 1977 election for no reason other than their assessment of the economic fortunes of the province.

Then, when one comes to 1980 and sees the

difficult assessment that the government had to make, they noticed a slight upturn in the economy headed towards the early part of 1981. Their forecast showed that very shortly thereafter that disastrous events would occur—which did take place—and, of course, we had the winter election.

I was talking about the commitments of the Premier (Mr. Davis), the ones he observes and the ones he does not observe. Immediately the time had expired when he observed that particular commitment, that he was going to be in office into the fourth year, we had just got into the fourth year when we were out on the hustings, because the forecast of everybody was that the economy was going to enter into a very disastrous period of decline.

I suggest to the government that, even with the impetus of the Minister of Energy (Mr. Welch) and his known interest in historical events as they relate to the fortunes of the Conservative Party, unless the economy recovers in 1984 or 1985, regardless of the 200-year celebration in 1984, this government will disappear. As I pointed out yesterday, a number of governments have been subject to foundering regardless of their political complexion because of the economic destabilization that is taking place worldwide.

I knew my colleague the member for Renfrew North would be interested in this diagram. I am sorry the rules of the House do not permit it to be reproduced in the papers of the House.

Perhaps some members thought there were a number of loose ends yesterday in the preliminary remarks I was addressing to the assembly, but in the short time available to me I would like to summarize briefly some of the questions I left to the Treasurer (Mr. F. S. Miller). Whether the Treasurer will answer them or not I do not know. As I said yesterday, being an avid reader of the statements made by the Premier of this province, particularly when he is speaking to his confrères, I would like to refer to some of the matters that require a response in this debate.

I refer particularly in the first instance to the matters he dealt with when he spoke to his colleagues the Premiers in Halifax on August 25. I am going to go seriatim by page and not in any particular order of importance, but perhaps the House will forgive me if I emphasize some points that appear to me to carry more weight than other points in the matters I want to raise.

I want to know from the Treasurer exactly what the Premier meant by this paragraph:

“Our first priority must be to create and

sustain jobs. In this regard the sharp increase in youth unemployment demands even greater allocation of public funds to job creation for young people. The recent federal budget provided little incentive for job creation in Canada. I believe fiscal room can and must be found for this essential activity.”

My first question in the preliminary questions I want to leave with the government is, what is that series of programs or activities that the government is going to undertake, considering the drastic increase in the percentage of unemployed youth between the ages of 15 and 24?

I put those figures on the record yesterday; I need not put them on again as they relate to the province. It is sufficient to say that the level is now in excess of 16 per cent, and everyone knows that on any realistic assessment it is substantially more than that in the province at present when we take into account those who have given up looking for work and those who are underemployed within that age group.

This is a major question we want to have answered if the government seeks to use that in any way as a method for justifying the iniquitous bill that is before us for consideration.

3:20 p.m.

Then on page 6 of this statement to his fellow Premiers, the Premier has this to say about the General Agreement on Tariffs and Trade:

“Canada and other trading countries will have an opportunity, with the meeting of GATT trade ministers in Geneva this November, to recover momentum in trade expansion and to work towards the development of acceptable mechanisms to enable temporary restraint of imports when legitimately necessary. In the meantime, the federal government should give continuing attention to reforming legislation on imports to prevent unfair foreign competition in our own domestic market.”

I want the Treasurer to table in this assembly what are the background papers that the government will be using with respect to the whole question of GATT and particularly with respect to the relationship of trade with the United States as it has been affected by the United States Trade Agreements Act of 1979 and the immense number of nontariff barriers that are erected against the exportation to the United States of goods of Canadian manufacture.

I will come back a little bit on the question of foreign investment. It is interesting to note in his speech that on page 6 he refers to a series of recommendations he will be making to the federal government on trade and investment.

He lists those proposals in the appendix to his address to his fellow Premiers. Those recommendations about increasing trade and investment opportunities are innately self-contradictory. They do not complement each other and they will not assist in any way in solving the basic and fundamental questions related to the recovery of this economy and the creation of the jobs that are required.

I asked yesterday, and I repeat it again today so that it will not be lost, what is the meaning of the following statement, which is repeated not only in his address to his fellow Premiers but also in the statement he made to this House on September 21? I want to have an elucidation of this very cryptic method of stating the contribution that will be made by this so-called isolated action of the government in its punishment of the public sector and the public sector employees.

"In this regard, I repeat my call"—and I am quoting from the Premier's statement—"for public sector expenditure restraint. Reduced government demands on the capital market also will contribute to reducing pressures on interest rates. Public sector cost reductions can be passed through to the private sector in the form of lower increases in taxes, user fees and charges for government services. These reductions alone will have a significant impact on the performance of the consumer price index and will contribute to reduced inflation in the private sector."

He saw fit to repeat that in this House. It means little, if anything, to anyone who understands even elementary economics. There is no indication whatsoever that that kind of action will produce the kind of effects which he prophesized it would produce.

More important, from the point of view specifically of Bill 179, is this covert attack on the arbitration system of this province. Whether or not there is a right to strike, everyone knows that during the existence of a collective bargaining agreement the process of settlement of matters in dispute is ultimately by arbitration. I hope everybody understands that. I also hope I am correct in that broad and rather sweeping statement.

I also want to know what the government means when it introduces this kind of statement and makes it before all of the other Premiers by the Premier of this province:

"I have recommended, and I continue to believe, that governments should give immediate consideration to incentive measures that would encourage employers and employees in

the private sector to adopt forms of compensation that are linked directly to their own industry's productivity and profit performance. In the public sector the role played by the arbitration system in perpetuating the inflation cycle should be reviewed."

If I could, I would put that in italics, because it is the first indication I have heard that the government is considering some form of drastic action about an essential component of the freedom of association and the right of employees to organize in trade unions and in other organizations to protect their common interest.

I want to know what they intend and what they mean, because if they mean what I believe they may mean, I want them to know that this battle, which we have joined on this bill against them, is nowhere near its end.

I expect a forthright statement by the Premier, or in his absence by the Treasurer, about what he means and particularly with regard to the comments of that minister of the government charged with responsibility for the field of labour relations, the Minister of Labour (Mr. Ramsay). That, to my mind, is one of the most inequitable aspects of this bill, and I will come to that point somewhat later on in my remarks.

In his statement to the Legislature, there were two or three other matters that deserve synoptic attention and response by the Treasurer or the Premier, or by the appropriate member of the cabinet.

The Premier and the Treasurer obviously have been sold by Mr. Biddell, the chairman of the Inflation Restraint Board, on the proposition that you must not touch profits. Two or three weeks ago there was an article by Mr. Biddell, I believe in the *Globe and Mail*—and I am only recalling it from memory—in which he was reciting his experiences with the Anti-Inflation Board in Ottawa.

He wrote that he felt control of profits in any way, or anything that would indicate profits should be monitored, or anything that would indicate governments should have anything to do with the level of profits in corporations, was counterproductive. He put forward a very simplistic, traditional capitalist view of why that should not be so: profits are turning down at this point in time; the economic indicators clearly indicate that.

It is significantly interesting that when the profits of the corporations were at their peaks, nothing was done by government with respect to those profits, but now that those profits have declined the role of government in some way or

another has nothing to do with it. We have this simplistic logic that when profits are really good we do not have anything to do with them, and when profits are down we do not have anything to do with them. But what we deal with is wages.

There is a little trick phrase that even my friend the member for Lakeshore (Mr. Kolyn) used the other day. When the Premier refers to a national incomes policy—and the member for Lakeshore picked it up—he refers to that as a prices and wages policy. There is no prices policy. We in this party understand that.

The part of the bill dealing with wages is very clear, very specific, very draconian and very punishing; it takes up the greater portion of the bill and is the most unreadable part of it, which is always an indication that the government draftsmen want to say as politely and as unintelligibly as they can that they are hurting people.

In the part dealing with prices, we get very few words, no enforcement provisions and very little indication that the government has any heart or soul in the question of the control of prices.

I mentioned yesterday that a strange dialogue takes place between the ministers of the crown and members of this party when we try to put the proposition as to why corporations should have the pass-through of costs that are beyond their control but individuals cannot have a pass-through of costs that are beyond their control. However, that is the very simplistic statement I am given.

3:30 p.m.

I want the government to relate its statement about how the consumer price index will be coming down to the amazing figures I would like to put on the record of the House with respect to oil prices in Canada over the next four years as a result of the national energy program.

They startled me, and I am sure the House will be startled at the way these prices will escalate. When I am told that the consumer price index is going to moderate in some way, I am from Missouri; I do not believe it. I am from Riverdale, which is also sceptical of that kind of statement.

On January 1, 1982, conventional old oil, as defined in the Canada-Alberta energy agreement of September 1, 1981, was priced at \$23.50 per barrel. That is based on the Alberta well-head price, which is the pass-through price. In his didactic little lecture to my friends in this party when they asked this question, the Minis-

ter of Energy said, "Of course we have to pass it through; we have no control over it."

Everyone knows the escalation is scheduled as of January 1 and July 1 but I will skip the mid-year increases and just give the annual prices per barrel at January 1. They are as follows: 1982, \$23.50; 1983, \$29.75; 1984, \$37.75; 1985, \$45.75; and 1986, \$53.75. This is the Alberta per-barrel wellhead price of conventional old oil as negotiated on our behalf by the federal government with the Alberta government.

Mr. Rotenberg: That is only if world prices go up. If world prices do not go up, neither do they.

Mr. Renwick : If world prices do not go up? There is very little to indicate that kind of a protection for the consumer. The member knows it as well as I do.

New oil is defined in the Canada-Alberta energy agreement of September 1, 1981. It commences at January 1, 1982, at \$45.92; 1983, \$53.06; 1984, \$60.18; 1985, \$70.23; and 1986, \$74.08. There may be a clause which would indicate some amelioration, because there happens to be a glut on the world market at the present time. But those prices were not negotiated for the purpose of protecting the consumers; they were negotiated for the protection of the government of Alberta. The member for Wilson Heights is well aware of that.

May I finish off the summary of my preliminary remarks by referring to this statement: "The Ontario Management Board will be engaged in a series of reviews of the budgets of the cabinet in order to carry out this process of restraint. In keeping with these directives to significantly reduce our current fiscal account, Management Board is currently working with all ministries in order to reduce their operating budgets."

I, and I am sure everybody else in the House, read the article by Thomas Claridge in the *Globe and Mail* which indicated that this process had, if anything, just begun and, indeed, may not have begun. But it would seem to me that we are coming very close to having the Treasurer say that his estimates for this current fiscal year are being drastically revised.

We are at exactly the halfway point in the fiscal year. It would seem to me that a Treasurer with any understanding of the economy of this province would introduce a new budget into this assembly so that we could have a proper, up-to-date statement of the fiscal policies of this government in relation to this period in the economic decline of this province.

But no, the Treasurer will not even consider

such a reasonable proposal. He would rather proceed on a piecemeal basis with minor steps as he proceeds with his attempt to fool the public that something basically is going to be done.

On page 21, we have the statement, "We are currently working on a further series of initiatives designed to generate further employment and stimulate economic activity." When is the Treasurer going to let the House know what those further initiatives are, as the Premier quoted them in his statement to the House on September 21?

There is a further statement by the Premier a few paragraphs later, saying, "The Treasurer is contemplating a range of measures for introduction this fall, barring any federal efforts to help us in this regard."

Those are the measures with respect to protecting the jobs and security of our citizens. Again, the government of this province simply says, "We leave it to the federal government and we in this province will act only when they fail," despite the fact that the Premier and his cohorts spend most of their time pointing out the failures of the federal government. What conceivable expectation does the Treasurer have that any of those actions will be taken?

With those comments I want to conclude my immediate opening remarks. I want to move to one or two other areas of concern and importance, in my view, with respect to this particular bill.

I think there was a considerable degree of misunderstanding among many people about—with great respect and apologies to Dylan Thomas—the activities of the boys of summer which took place in August on the stock exchanges in New York and Toronto. There seemed to be some misunderstanding that in some way perhaps indicated that, in the Treasurer's phrase, we had bottomed out and there were hopeful signs, and the stock market was discounting, in terms of the price of shares, a bountiful future of the economy.

I want to indicate the kinds of statements knowledgeable people in the United States were making about that particular question. I quote View from Wall Street in the Washington Post on August 29, which states:

"It is important to remember that there is another, and less happy, side to this sudden change of the collective mind in Wall Street. Until this month, most people in the financial world had taken it for granted that, during the autumn, the American economy would begin to

recover from the recession. That would mean more borrowing—and soon the expansion of credit would collide with the tight limits that the Federal Reserve has set." The result would be, once again, rising interest rates. That is why the markets did not react immediately to the decline in rates in July and earlier this month. The experts considered it a mere blip that, within a matter of a few months, would be reversed.

3:40 p.m.

"What has changed? Within the past couple of weeks, the consensus has shifted among the economists who advise the investment houses and banks. They no longer believe that there will be any significant recovery before the end of the year. In particular, they notice that the July cut in income taxes does not seem to be having any visible effect on business. A statement to that effect by the most prominent of those economists, Henry Kaufman of Salomon Brothers, set off a torrent of trading last week. If there is no real business recovery in the months ahead, there will be no collision with the Federal Reserve's limits, and interest rates will stay low."

That may be good news for some people, but it is bad news for a lot of other people. I simply point out in a very cautionary way that the activity that was mirrored in the media about the intense stock market activity and bond market activity was because Mr. Kaufman and his colleague in another investment banking firm, Mr. Wojnilower of First Boston Corp., were saying the same thing.

Price interest was dropping because people were not borrowing any money because they do not believe the recession is over, and when the stock market activity was taking place people were putting their money in the bond market. The price of bonds went up because people were not prepared to believe there was going to be a significant recovery.

Indeed, there are some who are so politically realistic about the situation as to believe that after the elections this fall the full extent of the American slump, recession, depression, whatever we want to call it, will begin to be felt. We know the United States is a large country, but we cannot believe there are over 10 million people out of work there.

If I may, because I thought he said it a thousand times better than I could say it—and I happen to respect him, although I do not know him; he certainly has a renowned name—I want to quote from an article by Lester C. Thurow, professor of economics at the Massachusetts

Institute of Technology, in the October issue of the *New York Review of Books*.

"If the country is to extract itself from the economic disaster now under way and to avoid future bouts of naked economics, it is important, however, to understand how Reaganomics came to be the law of the land and why it is still the law of the land despite its evident failure." We are going to have to extract ourselves from Reaganomics even though we cannot extract ourselves from President Reagan, since it is doubtful that the economy will survive two more years of Reaganomics in view of what has happened in the first two years." I subscribe to that view and I am no economist.

I referred yesterday to the speech of the chief executive officer of the Royal Bank of Canada in which he says that if one attacks inflation as the prime evil, which is exactly what the Treasurer does despite the lipservice paid by the Premier every now and then to jobs, and couples that with restraint in government, one gets nothing but unemployment and depression.

If I can perhaps relate in some way to the kind of solution that the chief executive officer of the largest bank in the land is talking about, I would like to do so very briefly. This is what I mentioned yesterday about the "long night's journey into day," and this is his solution to the problem. He talks about Charlie Brown and a children's rhyme, "Nobody likes me, everybody hates me; I am going down to the garden and eat worms."

He was not talking about himself; he was talking about Canadians. When things are really going awry in Canada, the government blames the people. That is the solution. The people are to blame; nobody else is to blame. It does not matter what it is, it is just the people.

So he comes along, finally, with his significant statement, if I can only find it. He explains, of course, that the vital and crucial problem is inflation. Then he goes on with this kind of strange rhetoric: "Remember, the country is not out of business. We are still very much in business." The "in" is underlined; I do not know why he could not have chosen to emphasize that himself. "The trick is to make sure that we get 100 per cent of productive value for every dollar spent."

Now listen to this: "We must streamline, consolidate, automate, eliminate, defer or cut programs, services, work, procedures, products and jobs—in other words, a complete re-examination of how we do our business. But we still have to do business. There are custom-

ers and markets to be served. If we control or cut costs properly, obtain improvements in productivity, the companies in the country will all be better off."

Do the members recognize what the combination is? It is not people, government and business; it is government and business against the people. If you do what he says, the unemployment in this country will reach even further disastrous heights.

I do not understand how, when he then turns to an area he knows nothing about, he talks about the restraint of government and how we must cut our programs, how we must cut all of the public services in order that we, too, can in some way share in the wonderful future that is ahead.

I wish I could say it was my line. It was applied to one of President Reagan's speeches. I would apply it to the Premier's statement, to the chairman and chief executive officer of the Royal Bank. The statement of the Treasurer and his gnomes is the Sydney Carton speech at the end of *A Tale of Two Cities*. He does not know what kind of world it is, but let us get there one way or another.

As members can see, I can build up a considerable head of steam about my concern over the inadequacies of the government policies that are reflected in the bill before us. Talk about a Johnny One-note program. We have one bill before the assembly that is supposed to be the guiding light, the beacon, the star on the horizon for the way in which Ontario will recover economically and provide the jobs that are required.

What does the Treasurer say at the end of his statement? My colleague the deputy leader of the party referred to this in a release. The Treasurer gives two other reasons, but I am not going to bother about those aspects of it. "The demonstration effect, signalling an era of lower wage settlements to the private sector." That is what this bill is apparently about. It is a signal. We are being asked to pass a signal to the private sector.

He goes on: "Of all those effects the third one may be the most important, because the problem this country faces today is as much rooted in psychology as it is in economics. Canadians seem to have set an inflationary expectation that is very hard to unlock. I do not pretend to know what the exact key to it is, but my job as Treasurer is to take this black art of economics, look at the theory, look at my perception of

human behaviour and then meld them together into a policy."

3:50 p.m.

If that is not a prescription for chaos I do not know what is. And I say to the government, the sooner the Treasurer is changed—at least it will be similar to the Gallup polls that we hear. People do not have any confidence in those who are not in power but they are rapidly losing their confidence in those who are in power.

I say to the House that the sooner the Treasurer resigns his portfolio the better. I would venture a prophecy. I doubt if he will present the budget in this House next spring. It is quite unlikely that he will. He will retire as others have retired when they get their priorities wrong. He will have done his job, the job he is expected to do, protect the magic triple-A rating of the province. That is all he is there for.

I hope he can find a triple-A to pack in his little bag and take with him when he leaves to put up on his wall with some suitable motto, "Je me souviens de triple-A" or some such other motto.

Mr. Cassidy: Frank Miller's cross of gold.

Hon. Mr. Ashe: Why do you not give him one in gold, solid gold—silver then?

Mr. Cooke: I would not speak, George. Whenever you speak it does not make sense.

Hon. Mr. Ashe: Well, I am so so used to listening to you, that is why.

Mr. Renwick: Maybe. Mr. Speaker, I have two other areas and I am not quite certain in which order to proceed. Since I may have tried the patience of the chair in not referring directly to Bill 179, I will now refer to that bill if I may.

I said in my opening remarks that I would get to the question not only of the inequity of the bill but its illegality and its unconstitutionality, the breach of international law involved and the breach of the Charter of Rights which is now the Constitution of the province.

Of course, it is a little more than a lawyer addressing a problem in the Legislature. Usually it does not matter to any great extent where the law and politics meet, and we all joke about the lawyers who stand in the House, with their greater knowledge of the law because of their legal training, and talk about legislation and so on. You cannot escape it that way.

I am going to talk a little about international law, about international treaties, international conventions. I am going to talk a little bit about the Constitution of the country, the Charter of

Rights and Freedoms of Canadians and about fundamental rights guaranteed in that charter.

I am going to say to the House—and I hope over the heads of the House members, to those who advise the public service unions and all of the unions of the country—that this bill is an assault by this government on the labour movement in all its aspects. I have tried to touch upon this little covert phrase of the Premier about the arbitration system. I have tried to indicate some of my concerns about the inequity. My colleagues, day after day, by questions to the appropriate ministers, have been trying to draw attention to the inequities of the bill.

I am going to say that this bill is challengeable in the courts. I am going to say it is my judgement that the argument I will put before the House is one deserving the serious consideration of the House. I am going to say to the Attorney General (Mr. McMurtry) that he must stand in his place and defend the bill here against the attacks I am about to make, because if he cannot defend it here, he cannot defend it in the courts of the land. It is just that clear.

It is all very well for the Premier in his opening remarks to tell us what we have always known, that a wage and price control scheme is within the legislative authority of this Legislative Assembly. That, of course, is specifically in the statement of the Premier to the House.

I think, sir, I should perhaps quote that particular section. It took some members of this party a little while to extract that admission, and I was quite pleased to say that finally such a trite statement is now accepted by the government and by the Premier as part of the law of the province. In his statement of September 21 to the assembly, the Premier stated that there was no question the Attorney General had indicated very clearly that a program of wage and price restraint in the province was quite within the constitutional power of the province.

Let me start back and work up to the argument that I want to put to the House and why I am anxious to deal with it, both at some length and with as much care as I can bring without pretending that I stand in a court where a more measured form of presentation would be permitted.

Bill 179 is a bill which contains a number of clauses. The important part of the bill relates to part II and to subsection 6(1), which states, "This part applies to the compensation plans of employees employed in or by" and then lists all of the various aspects and agencies that can be

considered within the public sector of the province.

The guts of the bill is to apply to employees. I say that is an assault on the employees because it is an interference, unjustified in our society, by the government in the right of freedom of association. When one looks at other aspects of the bill, one finds the very serious concerns which I have expressed right within the definitions which are available.

I am not going to quote all of the sections but I am going to refer to them. The subsection which I just quoted refers to compensation plans. "Compensation plan" is defined in the broadest possible terms and includes all collective agreements as well as other forms of agreement. "Collective agreement" is then defined in a very extensive way to mean four or five things, meaning usually the collective agreement under the Labour Relations Act, and in addition to that, the agreements under the Fire Departments Act and under the Police Act, and then goes on to extend it even further.

What we have is a bill which is applying to collective agreements. That is the guts of the labour relations system of the province. That is what we are concerned about. That is why we are standing in our place fighting the bill.

What does it do with respect then to collective agreements? I refer to subsection 8(1). I am not going to deal with all of the exceptions and the lawyer's language that was necessary in order to make it comprehensive, but it states, "Notwithstanding any other act"—it lists two exceptions—"every compensation plan that is in effect on the 21st day of September, 1982, shall be continued without change to and including its scheduled expiry date."

That is the first intrusion by the bill on the collective agreements entered into in good faith between the parties to those agreements in accordance with the laws of this province as we understand it.

4 p.m.

We know enough about that clause, "notwithstanding any other act," to understand that we are setting aside any number of statutes in order to give force and effect to this clause, which extends collective agreements that are in force on that date, September 21, to and including their scheduled expiry dates. That is the first intrusion.

What is the next one? The next one is the extension of those plans, and that is included in section 11 of the bill. Then in order to cooper up the whole matter, we have these clauses: "Not-

withstanding any other act or any agreement, any provision of a compensation plan to which this part applies"—and of course that includes by definition, as I stated, all the collective agreements—"that provides for an increase in compensation rates in excess of the limits set out in this part on or after September 21, 1982, shall be of no effect." We have just obliterated from collective agreements in the province and made of no effect certain very specific and clear agreements that have been entered into between the parties to those agreements.

Then in section 19 we have this: "A provision of a compensation plan to which this part applies"—again I interpolate that it applies to collective agreements by definition—"entered into or established at any time is of no force or effect to the extent that it provides for an increase in compensation rates that would bring compensation rates to a level that they would, but for this act, have reached." That is another lawyer's way of saying the same thing in reverse.

It is quite clear that this assembly is being asked by this statute to intervene in the collective agreements that have been entered into with respect to the relationships of employer and employees in the public sector and, because of the extended definition of "compensation plan," with respect to every contract of employment in this province related to the public sector other than those that are included in collective agreements.

I ask members whether or not we in this assembly have the right to do that. I ask members to seriously consider whether, if we do have the right, we should be exercising that right. I cannot believe that we would have before us a cute bill that has all of the legal jargon with its implications so totally hidden as this bill has.

What is therefore excluded? All the processes of the machinery of arbitration and all the processes of the machinery related to all the matters covered under the collective agreements are brought to a complete halt. There is no place for the system to operate. In addition, this is a back-to-work bill. It is a back-to-work order that we will be passing against, I believe, the strike by the public health nurses in the Niagara region. This is a bill ordering them back to work.

In addition to that, this bill provides, in those parts of the public sector that are governed by collective agreements in which there is a right to strike, a prohibition against the right to strike and, as I have said, it is a total abrogation of the

processes of arbitration for those unions that do not have the right to strike. That is what we are being asked to set aside.

Then we are asked to authorize a board by a person not known to us, a Mr. Biddell. I happen to know him. I guess I have known him in the business world going back now some 30-odd years. I have worked with him.

In his particular field of specialty, which was the reorganization of bankrupt companies, he had no peer, but he does not have the kind of understanding or the kind of capacity or knowledge to deal in the field of public relations with the work relationships between the public sector and its employers. He has no capacity in that field, no knowledge, no skills, no ability. I would suggest if he were called here before a committee, perhaps if this bill ever does get out to a committee, it may well be that Mr. Biddell's views of the world in relation to employers and employees and how the collective bargaining system works would be of interest to members of the assembly.

What are we doing with him? We are making him chairman of a board. What is the board? The board is under part I. It is the Inflation Restraint Board. He is going to be the chairman, we are told. There are a number of powers given and the provisions are set out in section 2 of the bill establishing that board. I am not going to read those—they appear in countless bills—but I am going to refer to subsection 3(4) of the bill. I am going to read it in extenso:

"The board may, in its discretion where it considers it desirable to do so, hold a hearing and where the board does so, the Statutory Powers Procedure Act applies, except that, whether or not the board holds a hearing, the board is not required to give reasons for any final order, decision or determination made by it, but notwithstanding the Statutory Powers Procedure Act or any other rule of law, the board is not required to hold any hearing before making any order, decision or determination that it is authorized to make."

Even in the areas where the board is entitled to hold a hearing with respect to collective agreements and the compensation plans under those agreements, or the compensation plan between any person and any employer in the public sector, we can see that there is a total denial of the right to what we call in law natural justice. Natural justice may sound a complicated term. It is not a complicated term. Lawyers have managed to spell it out into a great number of rules. The minimum rules of proce-

dures to reflect natural justice are set forth in the statutes of this province.

Let me say, just as simply as I can, what natural justice means. We will then see as we go on later with this argument the kind of—I do not know what to call it—what is it that people add on when they keep explaining and explaining things? It is used in literature a lot. I cannot remember it at the moment, but if it happens to come to me I will refer to it.

The Deputy Speaker: Appendix?

Mr. Renwick: Something better than that. It is elucidation. It is the minute study that people make of a single phrase and they write and write. I do not know what it is.

Let me get back to the classic statement that anybody can understand of the House of Lords in 1911 in the case of the Board of Education versus Rice. I am not asking members to remember the jurisdiction of the court, the name of the court or the date. The principle of natural justice was stated exactly this way in that case. This is by Lord Loreburn, who was the Lord Chancellor at that time.

"In such cases the board of education will have to ascertain the law and also to ascertain the facts." That is the lead-in sentence. "I need not add that in doing either they must act in good faith and fairly listen to both sides, for that is a duty lying upon everyone who decides anything."

4:10 p.m.

I cannot find a more succinct way of saying what natural justice is when one is talking about a decision which is going to be made by some kind of a tribunal. I am going to repeat that. "I need not add that in doing either" that is, ascertaining the facts and ascertaining the law, "they must act in good faith and fairly listen to both sides, for that is a duty lying upon everyone who decides anything."

"A court of law has no jurisdiction to hear appeals from the determination either upon law or upon fact." That is, of a duly constituted tribunal. "But if the court is satisfied either that the board have not acted judicially in the way I have described, or have not determined the question which they are required by the act to determine, then there is a remedy by mandamus and certiorari."

What did we do? After the police bill, immediately before I arrived in this assembly, the first session of the parliament that I joined later on in the year the police bill was before the assembly, the government was in great serious difficulties.

That was back in the spring of 1964. Immediately thereafter they appointed the commission under the former Chief Justice of the High Court, the Honourable J. C. McRuer. There was volume after volume designed to make certain that in the statutes of this assembly the right to the principles of natural justice was accepted by everyone. That was the course which was followed.

There was report after report; there was amendment after amendment to every statute to provide for the minimal rules of natural justice. We passed the omnibus statutes of this province to give effect to that, and the act is the Statutory Powers Procedure Act.

I am not going to read this book. However, I am going to show how the principles of natural justice have been elucidated over a period of time, and they apply to every board that has to decide anything. They do not happen by statute to apply to the Ontario Labour Relations Board because the labour relations board is a self-contained statute which has its own procedural steps which adhere to these particular rules.

They apply to very many others. The procedural requirements of the minimum rules are as follows: notice of hearing; contents and form of notice of hearing; service of notice of hearing; impartiality of members of tribunal; information to be furnished to parties before hearing; procedure at hearing: oral hearing; order of proceeding at hearing; nonappearance of party; hearing in public; counsel for parties; rights of parties; power to summon witnesses; protection of witnesses; evidence at the hearing: material evidence; proof of authenticity; introduction of evidence; adjournments; recording of evidence; maintenance of order; power to prevent abuse of tribunal's processes; procedure after hearing: making decision; material upon which findings of fact required to be based; legal grounds upon which decision required to be based; decision in writing; reasons for decision; notice of decision; record of proceedings; and it goes on. One could go on at great length.

In any event, that is what we tried to do in this assembly. We tried to ensure the principles of natural justice in the light of that history. There are other members of the House who can vouch for that. I am not exaggerating what was done. It is all there. In the light of all of that work which this assembly has done, in the light of the Premier's statement and the statement by the Treasurer following that, we are faced with a bill which has the provision which I have quoted, and I am going to quote it again in the

hope that the implications of the section will be more apparent to the members of the assembly.

I say again that this is where the law and politics meet, only we make the law. And we, in this party, are not going to be a part of the process by which that law is made. I quote again subsection 3(4) of Bill 179, an Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. "The board"—and what board is that?; that is the Inflation Restraint Board—"may, in its discretion," and it does not even leave it at that; it goes on to say, "where it considers it desirable to do so, hold a hearing and where the board does so, the Statutory Powers Procedure Act applies, except that, whether or not the board holds a hearing, the board is not required to give reasons for any final order, decision or determination made by it, but notwithstanding the Statutory Powers Procedure Act or any other rule of law, the board is not required to hold any hearing before making any order, decision or determination that it is authorized to make."

We are being asked to pass that section into law, despite the whole of the traditions of the society and despite months and months of constitutional debate about fundamental freedoms. I cannot believe it. Members can say I am biased; they can say I am a lawyer, they can say that somehow or other I was brought up in a school of law which believed in something called justice, justice meaning a certain kind of regard for other people's interests. That is all.

That is not the kind of regard that tramples into the ground the long-sought for, fought for and won procedural protections of people who are employees, collectively united for the purpose of carrying out their common lawful purposes. That is what it is it is about, and this is what the government is asking us to do. I simply say to members of this assembly that they will be making the most serious mistake this Legislature could possibly enter upon if they make that mistake. It will be challenged, it can be challenged and it shall be challenged.

I would make that argument were there no Charter of Rights and Freedoms in the Constitution, and I would make that argument if there were no international conventions to which this country and this province are bound, related to the right of people to organize in trade unions.

There is a second argument and I would like to make it. I would like to make it just as clearly as I can. One can be certain that the traditions in our courts, arrogant as we are about how good

we are about protecting people, would find this argument legally impeccable but judicially in a very real sense unacceptable because of the traditions of our bench. It will take lawyers far better than I to persuade the bench to accept the next portion of the argument, but I am going to expect it. I am going to expect that some day a court would accept this argument without the assistance of the charter of the Constitution of this country.

Just before I go on to the second aspect of the argument I am developing in the assembly, let me talk a little bit about the statutes and the provisions of the statutes which we are abrogating—suspending, abrogating, breaking, intruding upon, wrecking, whatever phrase you want to use—in intruding upon the fundamental freedom of people in this society in a way I never anticipated we would be called upon to deal with.

I do not pretend to have looked at all of the statutes which are affected by this bill. I know very well that it would be impossible. It would be almost a lifetime's work to deal with every agreement and every authorization affected by this bill, but let me just simply quote one paragraph from a memorandum which I have. It says: "The bill subjects employees in the broadly defined public sector in Ontario to wage controls for at least 12 months. In all, some 500,000 employees are affected, as are 2,700 collective agreements and 50 labour organizations, to say nothing of those thousands of employees who do not have the protection of an organization or a trade union to be of assistance to them."

4:20 p.m.

In any event, I looked at some of them. I actually got out the one statute because it is one that still continues to horrify me, and that is the Hospital Labour Disputes Arbitration Act. This is a bill that talks about the people at the lower end of the economic scale. We do not bother to deal by statute with the doctors at the upper end; we deal with them simply by executive negotiations under an abdication of authority that should never have been granted by this assembly to the executive.

The Hospital Labour Disputes Arbitration Act is a bill that has bothered me ever since it was enacted. It provides for arbitration, and even the Hospital Labour Disputes Arbitration Act very clearly sets out the process of arbitration, which replaces the right to strike. Let me concede—God forbid that anybody should quote me—that one could say that they should not be entitled to the right to strike, but they are

entitled to the right to arbitration as the substitute for the right to strike.

This is the method and the process by which it was agreed that the arrangements between the hospital workers and their employers in all of the hospitals across the province would be settled, and it provides for the appointment of a board of arbitration. In the board of arbitration the procedures are pretty well standard. It goes on for some considerable time: "The chairman of the board of arbitration shall fix the time and place of the first or any subsequent hearing and shall give notice thereof to the minister, and the minister shall notify the parties and the members of the board of arbitration thereof."

Then there are the various procedures with respect to the processes of arbitration and how the board of arbitration shall act in all matters that come within its purview. This statute, this "notwithstanding any other act," sets that aside, poor as that statute may be. Perhaps I will not have to refer to that again, and I would ask the page to put it back behind the Speaker's dais if he would.

I looked at the Crown Employees Collective Bargaining Act, chapter 108 of the Revised Statutes of Ontario, 1980, setting out representation rights, setting out again in some detail all the processes of negotiation of agreements, of mediation and of arbitration. In sections 10, 11 and 12 all the processes of the arbitration procedure are set out in detail. They are the methods by which two sides deprived of the right to strike reach agreement in good faith about these legitimate areas covered in their collective bargaining arrangements, of which one of the prime ones is compensation. That bill is abrogated; that bill is suspended; that bill is trampled on, or whatever you want to call it.

I looked at the Public Service Act. I had to search a little bit for this one, but I had to find out where the Ontario Provincial Police were governed. The Ontario Provincial Police have a special section in the Public Service Act that deals with their negotiations. As the minister knows, it has been accepted in the province, and I think widely accepted, that police are an essential service, and very rarely have they been granted the right to strike.

Sections 27 and 28 of the Public Service Act set out a process by which the Ontario Provincial Police arbitration committee is set up, a negotiating committee is set up and the association of members of the force is set up. Again, we have in detail the process and the procedures of

arbitration related to the Ontario Provincial Police.

The Police Act governs all of the municipal and other police forces in Ontario. In part II of that act the same kind of process is established, respected and revered in the province as a method of dealing with those procedures. In section 28 and following the Police Act, the same detailed provisions are set out under the heading, Bargaining and Arbitration. Because the police sometimes are overlooked in these kinds of discussions, I think it would be appropriate to read into the record the Police Association of Ontario resolution of August 19. I am reading a letter addressed to the Premier, executive council and members of the Legislative Assembly from the Police Association of Ontario, Mal Connolly, administrator:

"Please be advised that at our recent annual general meeting of the Police Association of Ontario, held in London, Ontario, the week of August 9 last, the following resolution was unanimously adopted by way of motion:

"Whereas the representative delegates of the 17,000 police officers in Ontario meeting in congress in London, Ontario, wish to go on record as being unanimously opposed to the federally recommended imposition of wage controls on provincial and municipal public sector employees;

And whereas the singling out of public sector employees as the scapegoats for our failing economy is grossly unfair to loyal public employees and is no less than perpetrating a fraud on the Canadian people;

Be it resolved that we urge you as our elected representatives in the province of Ontario to resist this federal farce and address the real problems facing the citizens of Ontario and the rest of Canada, such as unemployment, violent crime, interest rates, failing businesses and the growing lack of confidence in our elected officials to lead."

You can understand, Mr. Speaker, why people who believe in the association method used by the police in settling their disputes are so concerned. I do not know what action they are going to take. I heard a news report that they may be considering some form of legal action, and I wish them well. I hope that somewhere along the line they may find the remarks I am privileged to be making now in this House to be of some assistance to them.

I move on to the School Boards and Teachers Collective Negotiations Act. We spent a long time in this assembly on what was Bill 100 and is

now chapter 464 of the Revised Statutes of Ontario. It is a long process of voluntary binding arbitration. It deals with the appointment of the arbitration board and its impartiality, with its procedure and structure and with the methods designed to protect the rules of natural justice for the people whose rights are before it for decision. That act is put away.

We also have, as the members will recall, the final offer selection process. An education commission was to act as a mediator in the course of those various agreements. Section 52 of the act states, "Unless an agreement otherwise provides for the final and binding settlement of all differences between the parties arising from the interpretation, application, administration or alleged contravention of the agreement, the agreement is deemed to include the following provision."

It then provides for the whole question of the appointment of arbitrators to make those decisions. That language is taken from the Labour Relations Act. This act was part of the hallowed tradition of that act, but it, too, is abrogated, trampled upon, set aside, suspended, or however one wants to describe it, all in the name of some misguided policy of officers of the crown who have no knowledge of the law, its tradition and the rights of people and no sense of the natural justice of things but believe that inequity can be enshrined in law. I will have no part of it.

4:30 p.m.

The Labour Relations Act in section 44 equally provides the same kind of provision. I ask each member of the House some time to search out the act and read the process. It says:

"(1) Every collective agreement shall provide for the final and binding settlement by arbitration, without stoppage of work, of all differences between the parties arising from the interpretation, application, administration or alleged violation of the agreement, including any question as to whether a matter is arbitrable.

"(2) If a collective agreement does not contain such a provision as is mentioned in subsection 1, it shall be deemed to contain. . ." and there are the time-hallowed words of the appointment of an arbitration board.

This, as the Premier of this province said to the other Premiers, is what requires a review. I want to know what that review is, because in two lines that is the attack on the whole of the processes that we in this party stand to defend. I hope when the time comes to vote upon this bill that other members of the assembly will join with us in that.

There is another act, the Fire Departments Act. The firemen are not often thought of in these terms, but they are also persons who have been recognized as providing essential services. This act provides for arbitration instead of the right to strike for the settlement of matters in dispute between any particular fire department and the association of firemen in the public service. We are being asked to set that act aside.

Those of us who read the bill and those members who perhaps will have occasion to read the bill in the next several weeks, while it continues to be a matter of agitation and concern in this assembly, should ponder a little bit when they come to the phrase, "notwithstanding any other act," or that other beautiful legislative draftsman's clause, "notwithstanding the Statutory Powers Procedure Act or any other rule of law."

How arbitrary, damaging, inconsiderate, illegal and contrary to our traditions can a bill be that comes before this assembly disguised in some way as an Ontario economic recovery program when it is nothing but an assault upon the public sector employees of the province and directly—and I do not say indirectly—on the whole of the trade union movement, public and private, in the public sector and the private sector of the province?

Why are there no wage controls being proposed for the private sector? Because they are already being punished by the private capitalist marketplace, that is why. They are hoping the time has come when they will not have to intrude. They would never intrude on anything other than the relationships between working people and their employers.

Many times in this assembly, when we talk about workers who are organized, we forget the others. What is the signal my friend the Treasurer is giving to the employers in the private sector with respect to the employees who have no protection in terms of an organization to which they can turn? What protection do they have? Up to five per cent? No. Down five per cent? No. That is where the punishment will work its way through this society.

Even in trite economic terms, it will destroy the capacity of the kind of consumer society we have to meet the legitimate expectations of people. The capacity of people to participate will be severely reduced because of this misguided attack that is being made by business on the working people of the province, supported and provided with leadership by the government of Ontario.

Because I have made one argument in which I tried to illustrate the extent of the devastation which this bill is providing, I want to move now to the question of the international covenants to and by which Canada and this province are bound.

When the human rights bill was before us, I spoke at some length about the two charters of the United Nations because in the preamble of the human rights bill we paid particular obeisance to the international convention's Universal Declaration of Human Rights. That started the whole concern in the international sphere for private individual rights in 1948. We must think something of it in this province if we refer to it in the much-lauded Human Rights Code we passed not so long ago.

Article 20(1) has this to say, and I quote it in full, because from this a great deal of other matters flow: "Everyone has the right to freedom of peaceful assembly and association." That is where it starts. Again, it is simple. One does not need a lot of lawyers to elaborate on it, but we will watch and see how that elaboration took place.

That is the Universal Declaration of Human Rights to which we pay some kind of lipservice. For those who may be particularly interested in it, I made some comments about it as long ago as December 9, 1980.

Since that time, the cause of human rights has worked its way through the United Nations assembly and Canada has become a party to two covenants. In 1976, even though the covenants themselves were passed in 1966, Canada became a party, this province became a party, because it was joined by Canada as it negotiated these matters and Ontario is bound by this convention.

In the International Covenant on Economic, Social and Cultural Rights, article 8, this convention says:

"1. The states parties to the present covenant undertake to ensure:

"(a) The right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned, for the promotion and protection of his economic and social interests. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;

"(b) The right of trade unions to establish national federations or confederations and the

right of the latter to form or join international trade union organizations;

“(c) The right of trade unions to function freely subject to no limitations other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;

“(d) The right to strike, provided that it is exercised in conformity with the laws of the particular country.

“2. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces or of the police or of the administration of the state.”

I will come back to that provision.

“3. Nothing in this article shall authorize states parties to the International Labour Organisation convention of 1948 concerning freedom of association and protection of the right to organize to take legislative measures which would prejudice, or apply the law in such a manner as would prejudice, the guarantees provided for in that convention.”

Canada and this province are bound by the International Labour Organisation convention of 1948 concerning freedom of association, known as ILO convention 87, to which I will come shortly.

4:40 p.m.

In the international covenant on civil and political rights, as distinct from cultural and economic rights, we have in article 22:

“1. Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests.

“2. No restrictions may be placed on the exercise of this right other than those which are prescribed by law and which are necessary in a democratic society in the interests of national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on members of the armed forces and of the police in the exercise of this right.

“3. Nothing in this article shall authorize states parties to the International Labour Organisation convention of 1948 concerning freedom of association and protection of the right to organize to take legislative measures which would prejudice, or to apply the law in

such a manner as to prejudice, the guarantees provided for in that connection.”

If I may, I want to refer to the International Labour Organisation convention 87, to which reference was made in each of those two international covenants, because it may well be the first occasion that it has been referred to.

I want to emphasize that this convention is binding on the province. I want members to understand that. Not only is it binding on the province in lawyers' terms, but also the government of Ontario has attorned to the jurisdiction of the committee of the International Labour Organisation which deals with the settlement of matters that come up for dispute under it, and I will refer to that briefly in a few minutes.

Let us not think that this is some ethereal matter we are discussing. In 1982, the decision was made on a submission made by this government with respect to the Crown Employees Collective Bargaining Act and therefore this convention is binding on the government of Ontario.

I want to quote this convention because, as I say, it contains a number of provisions. It has some 18 articles. I do not intend to read the 18 articles. I intend to read those that appear to me to be of significance for the purposes of the argument I am putting—indeed, it is more than an argument; it is a matter of deep concern and a matter that must be debated in this assembly.

Convention 87 is the convention concerning freedom of association and protection of the rights to organize which came into force on July 4, 1950. I am not certain of the exact date when it came into force in Canada, but it was very shortly thereafter and has been recognized ever since.

This is the convention that recognizes its paramountcy over the two other conventions from which I quoted.

“The general conference of the International Labour Organisation, having been convened at San Francisco by the governing body of the International Labour Office and having met in its 31st session on 17 June, 1948;

“Having decided to adopt, in the form of a convention, certain proposals concerning freedom of association and protection of the right to organize, which is the seventh item on the agenda of the session;

“Considering that the preamble of the constitution of the International Labour Organisation declares ‘recognition of the principle of freedom of association’ to be a means of improving

conditions of labour and of establishing peace;

"Considering that the declaration of Philadelphia reaffirms that 'freedom of expression and of association are essential to sustained progress';

"Considering that the International Labour Conference, at its 30th session, unanimously adopted the principles which should form the basis for international regulation;

"Considering that the general assembly of the United Nations, at its second session, endorsed these principles and requested the International Labour Organisation to continue every effort in order that it may be possible to adopt one or several international conventions;

"Adopts this ninth day of July 1948 the following convention, which may be cited as the Freedom of Association and Protection of the Right to Organize Convention, 1948.

"Part I: Freedom of association.

"Article 1: Each member of the International Labour Organisation for which this convention is in force undertakes to give effect to the following provisions.

"Article 2: Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

"Article 3: (1) Workers' and employers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. (2) The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.

"Article 4: Workers' and employers' organizations shall not be liable to be dissolved or suspended by administrative authority.

"Article 5: Workers' and employers' organizations shall have the right to establish and join federations and confederations and any such organization, federation or confederation shall have the right to affiliate with international organizations of workers and employers."

Articles 6 and 7 I need not refer to.

"Article 8: (1) In exercising the rights provided for in this convention workers and employers and their respective organizations, like other persons or organized collectivities, shall respect the law of the land. (2) The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this convention.

"Article 9: (1) The extent to which the guarantees provided in this convention shall apply to the armed forces and the police shall be determined by national laws or regulations."

Then in Part II: "Article 11: Each member of the International Labour Organisation for which this convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organize."

There are a number of miscellaneous provisions, and I want now to turn from that convention to the kinds of contents that are included in the right to freedom of association and the right to organize in trade unions.

I have before me the report of the Committee of the International Labour Organisation on the Freedom of Association, Convention 87. I refer to case 1071, Complaint presented by the Canadian Labour Congress against the Government of Canada (Ontario).

The Canadian Labour Congress presented its complaint in a communication dated July 6, 1981. The government "—of Ontario—" sent its reply in a communication of January 25, 1982.

Canada has ratified the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87).

It goes on to refer to the allegations put forward in the complaint, that is, with respect to the inclusion of the ban on the right to strike of nonessential services in the public service. It refers to the complainant's case, to the government's reply and to the committee's conclusion. I will quote one paragraph, because it illustrates very clearly the point that is being breached by the legislation in front of us.

"Firstly, the committee would point out that this case is similar to an earlier Canadian case, examined in November 1978, concerning public service anti-strike legislation in a different province." I believe it was Alberta. "Accordingly, the committee would recall its reasoning in that case: that while recognizing that freedom of association does not necessarily imply the right to strike in the case of all public officials, whenever that right is denied adequate guarantees to safeguard fully the interests of the workers thus deprived of an essential means of defending their occupational interest must be provided. These guarantees include speedy and impartial conciliation and arbitration procedures in which the parties can take part at every stage and in which the awards are binding in all cases on both parties. These awards, once they

have been made, should be fully and promptly implemented."

4:50 p.m.

Let me repeat what we are being asked to abrogate. We are talking about the public sector of the province. We are talking about the areas in which the right has been withdrawn by statute to strike in accordance with recognized principles under the international convention:

"Accordingly, the committee would recall its reasoning in that case: that while recognizing that freedom of association does not necessarily imply the right to strike in the case of all public officials, whenever that right is denied adequate guarantees to safeguard fully the interests of the workers thus deprived of an essential means of defending their occupational interests must be provided. These guarantees include speedy and impartial conciliation and arbitration procedures in which the parties can take part at every stage and in which the awards are binding in all cases on both parties."

That is being withdrawn and abrogated, suspended, set aside, trampled on, whatever one wishes to say. That is a very precise and concise legal argument. This bill withdraws that. I am saying to this House that, in the absence of any other provision of the charter of the country—to which I will come in the moment—there is an arguable case that can be put before any court in this land that this legislation is in contravention of this convention, which is binding on Ontario and to whose jurisdiction the province attorns by having participated as late as this year in the proceedings before the committee designed for the purpose of expressing the guarantees and the content of the term "freedom of association."

My second argument, therefore, is that this assembly is being asked, in this bill, to simply ignore. There is a significant legal tradition in the judiciary of this country that it would be a difficult argument to put; but it is no longer a difficult argument to put, because we now have a Charter of Rights. I want to express this part of the argument in two or three different ways.

Let me refer, first of all, to the guts of that strange argument that went on in Ottawa, where some of the provinces wanted to have nothing to do with a charter of rights because the sovereignty of the Legislature would be infringed.

I admit that without the charter I could put the argument that I could put, and I would not anticipate that I would necessarily win in the court of law, but the argument should be put. I say now that with the passage of the charter, the

argument not only can be put but also must be put. I call on those who will be representing various sectors of the labour movement, and those interested in the constitutional law of the province, to intervene in a court proceeding to make certain that effect is given to the charter, which was passed with such fanfare by the Premiers and the governments and passed into law on April 17.

In referring to that, I want to simply state what the Premier of this province said when he reported to the assembly on November 6, 1981, after the accord was reached which finally came into effect when the formalities were processed on April 17 of this year, when the Queen of Canada gave assent to the bill. The Premier, speaking in this House on Friday, November 6, 1981, at page 3265 of Hansard 91, dealt at some length with the course of the negotiations and what was going on. He said, "We also reached a compromise with respect to the fundamental rights." The fundamental rights are the rights set out in section 2 of the charter. I will come to that and read it in a few minutes.

The fundamental rights are what we are talking about. We are talking about legal rights, which are very important, and democratic rights, which are equally important. We are talking about the fundamental rights enshrined in section 2 of the bill. The Premier said: "We also reached a compromise with respect to the fundamental rights. That was one I hoped would be in"—and this is typical of the Premier's style of speech—"the notwithstanding approach along with legal and equality rights."

What he was trying to say was that he hoped that fundamental rights would not be subject to the so-called notwithstanding clause or that wonderful phrase, the "non obstante clause." He said: "That was one I hoped would be in the notwithstanding approach along with legal and equality rights. A number of provinces will not take the notwithstanding approach. There were those in the group of eight who, my guess is, will accept fundamental rights as a matter of course."

Later, he goes on: "I emphasize that right also contains with it the necessity to put in a sunset provision"—that is, the notwithstanding clause—"so no Legislature can do it in perpetuity. It automatically comes up every five years so that the conscience of those legislators, at that time, will have to be tested as it relates to the social attitudes in their provinces. I am an optimist and my prediction is it will not be many years before the fundamental rights will be part of the

entrenched part of the charter in this country as a matter of course."

The Premier was very clear, and he was speaking for all of us, when he said that he would never invoke the notwithstanding provision that would permit him to pass laws in this assembly which would encroach upon the fundamental freedoms, one of which is the freedom of association.

There is in this bill no "notwithstanding the Charter of Rights and Freedoms" clause; so he cannot argue that. He cannot say that he is doing it notwithstanding that charter, therefore, he must argue for it and defend it in terms of the charter as it applies to this province. I submit that it must be done and that it has to take place on the floor of this assembly.

Why is it important? Because the constitution of this province is in our hands, not in anybody else's hands. It is trite law, very little understood but very trite law, that this assembly's power is in section 92 of the British North America Act, or whatever the appropriate section may be under the Canada Act. I might say that it is rather difficult to lay hands on a copy of the Canada Act. I have asked senior legislative counsel if in the next volume of the statutes he will include the Canada Act so we will know what the constitution of the country is, if he can find a copy of it, to make certain that it is the correct one.

"In each province the Legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated, that is to say, (1) The amendment from time to time, notwithstanding anything in this act, of the constitution of the province. . ."

There are some limitations because of certain democratic rights, but the constitution of the province is in our hands, in this assembly's hands. I recall the constitutional obstruction I ran into when we were arguing that the premium under the Ontario health insurance plan was a tax and that a tax could be imposed only by this assembly. We got a legal opinion to say that is perfectly true but when you passed the statute allowing the delegation of that authority so that the OHIP premium could be established by regulation, you had amended the constitution of the province.

That is the kind of authority that happens. Every time we pass a statute we will be dealing with the constitution of the province. That is why I say in the sovereignty theory of our country and in its judicial tradition, no matter how strongly I might feel about the first submis-

sion I made with respect to the rights of natural justice, this assembly could trample upon them if it saw fit to do so. We would not. We would fight any bill that did that, but it would be difficult in a court of law to sustain the argument.

5 p.m.

When we come to the second argument—that is, the question of the importance of international labour convention 87 and its force of law in Ontario—again I would say, because of the theory of sovereignty of this assembly and the judicial tradition of the province, they would have argued their way, in some Jesuitical, priestly legal approach, to the point of view that somehow or other we were not in breach of the international labour convention or the other two conventions to which I referred, but that somehow or other we had done it in our own particular British way and trampled on and suspended the right of the public service of Ontario to organize and had assaulted the very guts of the meaning of trade union organization, the meaning of "trade union" as a concept of freedom of association, in the way in which we are being asked to do so by this bill.

I would like to turn to the third argument, which is an irrefutable argument. It is an argument that will stand argument in the courts by the best lawyers in the land if they care to put it, and it will exercise the judicial capacity of the bench of this province, in whom I have a reasonable degree of confidence at the Court of Appeal level in certain of the judges, and it will exercise the ingenuity, the skill and the ability of the nine judges of the Supreme Court of Canada who ultimately will have to be the arbiters.

But there is another place for this to be arbitrated and that is right in this assembly. Are we passing a law that is in breach of the Constitution of the country? Are we passing a law that is in breach of the Charter of Rights and Freedoms of the citizens of the country? Are we passing a law that is unconstitutional?

Are we intruding on or daring even to come near to intruding on the kind of freedom of association that is an essential part of the democratic society in which we live? My submission is that this bill offends the charter and the fundamental freedom of association and that there is no justification for it under section 1 of the charter. I will come to that.

I am indebted to have been tracked on this, because as one of the strange things I do from time to time I wrote away earlier this year to get a copy of the Canadian Human Rights Foundation, Osgoode Hall Law School, York Universi-

ty, report on a conference on freedom of association, which happened to have been held on April 2, 1982. Little did I know when I wrote away for some of the information about it that I would be standing here so soon talking about the guts of what they were then saying.

Some of the leading lawyers in the country in the field of their professional capacities participated in that conference and they recited what I have recited here today. They recited article 20 of the Universal Declaration of Human Rights. They recited article 8 of the International Covenant on Economic, Social and Cultural Rights. They recited article 22 of the International Covenant on Civil and Political Rights.

They recited all those and referred to the primacy of International Labour Organisation convention 87, which I have referred to as being paramount to those and as having primacy over those international conventions; and they related it to the province of Ontario and to the Constitution as it was then passed.

Perhaps if I can find the appropriate provision of the summary of the argument that was put, and I am only quoting one part of the summary of the convention, "It is essential that workers deprived of the right to strike be compensated by the creation of other mechanisms for settling their differences with the employer."

I quoted the particular section from the recommendations of the committee on the submission made by the Canadian Labour Congress and by the government of this province with respect to the issues under the Crown Employees Collective Bargaining Act which deal with them. So let us make the distinction.

Let us assume for the moment that they moved to take away the right to strike for those unions in the public sector which had that right. They would have had to substitute for it—if it were possible to support such a move on the basis of essentiality of service—arbitration procedures.

What have they done here? They have taken away the right to strike from unions that had it, and have substituted nothing. And what the unions without the right to strike had in substitution for that right, they have now taken that away. So what have they left? They have absolutely nothing to protect them in the society in which we belong.

We can pretend it does not mean that and leave it to the Attorney General to come in and speak to the issue before this assembly, because when we look very clearly and distinctly at what

the charter says—let me just refer to it. Members will recall that the government has not invoked the "notwithstanding" clause. We will recall therefore that we are left with the right of freedom of association. We will recall that the Canadian Charter of Rights and Freedoms provides in section 2:

"Everyone has the following fundamental freedoms: (a) freedom of conscience in religion, (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication, (c) freedom of peaceful assembly and, (d) freedom of association."

Each of them is co-equal, each of them stands on its own and each of them is a fundamental right. That is not to take away from the importance of democratic rights and legal rights elsewhere in the charter, but the word "fundamental" means what it says: fundamental, the foundation, the guts of this society, what a democratic society is all about. That is what fundamental means. It has to do with that. It is the structure without which the democratic society does not exist.

I hope some members of the assembly will understand what this bill before us in this assembly has done. I want to refer, again to get it out of the way, to section 33, where we had that eternally-to-be-damned compromise which, of course, is not involved in the argument because the government has not invoked it. It says:

"That parliament or the legislature of a province may expressly declare in an act of parliament or of the legislature, as the case may be, that the act, or a provision thereof, shall operate, notwithstanding a provision included in section 2."

The government has not invoked that; therefore, the government must stand on the charter and the government must be able therefore to justify. In section 1 of the charter, we have this clause:

"The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it, subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society."

There are a lot of things in that which lend themselves to legal argument, and I do not intend to go on very long. It does not say "such reasonable limits prescribed by law as can be reasonably justified in a free and democratic society." It says, "such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society."

What are those limitations? Nothing I have heard in this assembly from the Premier, the Treasurer or anybody else has convinced me that you have put before us a law which can be demonstrably justified in a free and democratic society, as a reasonable limitation upon the freedom of association. It has not been put before us.

5:10 p.m.

I say to the government, the Premier, the Treasurer, and particularly to the lawyers in the government and to the man responsible for the law of the province, come into this assembly and demonstrably justify this bill as an essential reasonable limitation upon the fundamental freedom of association guaranteed to each citizen of this province by the Charter of Rights and Freedoms.

If he cannot do it here, he cannot do it anywhere else. If he does not do it here, he will be blown out of every court in the land. It is just that simple and that clear.

He may say, "Oh, that is a lot of legal argument." It is not legal argument. I come back to where I started. This is the cutting stone where law and politics meet. Accept this law and he will accept any encroachment on fundamental freedoms and it will be challenged.

I repeat what I said. I could not have put forward a submission with such confidence as to the correctness of the cause for which I stand had we not had the charter which now forms part of the Constitution of the country. I invite any and every lawyer in the assembly to participate in an analysis of that argument to determine whether or not we should be so foolhardy as to accept that this is demonstrably necessary in a free and democratic society.

What are the grounds? Always the same—public security, public order, public health, public morals, protection of the rights of others. There are no others. Those are the only things one talks about if one is talking about the limitations which could be demonstrably justified in a free and democratic society.

I put the argument as well as I am able. I do not intend to elaborate on that aspect any longer. I had hoped a book, now in the hands of the publishers, would have been out. A day or so ago I happened to notice the advertisement for it. It deals with the whole question of the charter. It is by a lawyer I respect, who used to be an assistant deputy attorney general. He is now in private practice and is highly regarded. Mr. Morris Manning's book will be out soon. It will touch upon some of these topics.

I say that we in this assembly have responsibility for these fundamental rights. There will be any number of cases in the courts with respect to legal rights. One reads about them every day. There will be problems particularly of the criminal bar. They are important for the protection of the liberty of the subject. That aspect of the Charter of Rights will be honeycombed with arguments and cases.

It will be some time before all of the arguments are settled. The arguments about impaired driving, onus of proof in drug trafficking cases and whether or not one can be fingerprinted, all of these matters essential to the freedom of the individual in the eyes of the law and in our system of justice.

But the area of fundamental rights is peculiarly within the purview of this assembly as far as Ontario is concerned, of assemblies across the country and of the House of Commons at Ottawa. It is peculiarly our responsibility, our duty and our obligation, because in books on the Charter of Rights and Freedoms produced as years go on, one will not find much on fundamental things, because they are fundamental.

If we, in a sloppy, slipshod, unknowing, unwitting, stupid manner, were to allow this bill before us to pass into law, then I would feel, in a strange way, like Donald MacDonald when he sadly said, when making his announcement about his resignation, "This assembly is becoming irrelevant."

I feel that way about it. I call upon the government and simply say to it that it cannot have it this way. Regardless of the state of the economy of this country, the state of the policies of the government, the state of conditions in the world, the state of the workings of the economy, whatever it wants to do, whatever deterioration has set in, there is no justification at any time for encroaching upon the fundamental freedoms of people in a free and democratic society.

I would like now, if I may, to turn to another aspect of my comments about this bill.

Hon. Mr. Ashe: Are you not finished yet?

Mr. Renwick: When are you speaking?

Hon. Mr. Ashe: Whenever you want me to.

Mr. Renwick: Whenever I want? I do not have any authority over you.

Hon. Mr. Ashe: Whenever you want.

Mr. Renwick: All right. If you roll back the assessments in my riding, I will let you speak in this assembly.

Hon. Mr. Ashe: You do not want your people to pay their fair share, one way or the other. I am glad you have that on the record. All those who will pay less and—

Interjections.

The Deputy Speaker: The member for Riverdale.

Mr. Renwick: I want to start this comment on the Constitution with the Premier's remark on it. I quote from the Premier's statement of September 21 in the assembly. All he has to say about the law, even though he was the one who negotiated this Charter of Rights and Freedoms, all he could think about was the strange world of the economy as written by the Treasurer. That is all he understood. He could not think of anything else.

Of course, as he is wont to say, he only practised law in Brampton for a few hours one day before he came into the assembly. What law school he went to I do not know. Who taught him? He probably took a correspondence course. He said then, "From a strictly legal standpoint, there is no question that the province of Ontario has the authority to impose mandatory wage, price or profit controls on all sectors within this province, except those industries within the federal jurisdiction."

There is no question about that aspect of it. It did not cross his mind, however, to indicate that there was a very real question about whether he, as the head of a government, could introduce into the assembly a bill that encroached upon and destroyed the freedom of association as one of the fundamental rights in the charter.

Even I think I have been speaking for some time. I have a file here, Bill 38, Debate on Second Reading. I was denied an opportunity to debate on that, so I thought possibly some part of that material would be relevant to this debate. I am not certain whether I will use it. I have another one called Politics in Crisis. Even I do not understand the title, but it has a number of interesting documents in it. Should I be irritated in any way I could probably read some of them.

The Deputy Speaker: I will endeavour to keep all members restrained.

5:20 p.m.

Mr. Renwick: Then I have Bills 179 and 180, which have a series of memoranda that perhaps will be more appropriately dealt with when we are either outside in committee or in committee of the whole House.

I have a file here called Balance of Payments.

That is the one to which I now want to direct my attention so as to pick up the loose threads that were left in my preliminary remarks, when I was going through the litany of the various headings that the Premier speaks about so often when he makes these omnibus addresses and touches upon every aspect of the economy.

That is the revolving door theory which you have caught, Mr. Speaker. I was not going to use that term again. I very seldom repeat myself, but now that you have raised it, yes, it is the revolving door theory.

All of those threads come together in one place. It is not so difficult, though it is rather an elusive topic, but it is one that has to be dealt with and it is the one that puts the lie to every one of the recommendations of the Premier supported by the Treasurer with respect to trade and investment.

Those questions that I tried to raise related to the Foreign Investment Review Agency, the General Agreement on Tariffs and Trade, international trade and to exports, all of those matters are of very real importance and significance. Perhaps in my closing remarks I could elucidate upon my understanding of our difficult problem.

I am going to refer to the Canadian trade balance, and when I say "trade" I am not restricting it to the sense of merchandise trade. I am talking about the overall current account of Canada with the rest of the world and what has happened over the years.

If one had to find a specific and particular reason among all the others that were involved in my finding my way into the New Democratic Party it was what began as long ago as 1960 and has continued ever since: that over the years we have been totally dependent on importing foreign capital to make up for the balance on the current account of Canada with the rest of the world. It is that simple.

We have managed to maintain a reasonable balance in merchandise trade with the rest of the world, although it has had its ups and downs and it has had its deficits and so on. But we have never been able to deal with the payout from the country for services which have had to be paid for because of our dependence on foreign capital for the growth of the country, and because we have always had a deficit—which is increasing in alarming proportions—we have always had to call for foreign investment.

One cannot get away from that argument because that is what is costing us the life-blood of our economy. The scheme of the Treasurer

and the scheme of the Premier will not come to grips with that problem. It will not go away by blaming Ottawa for the failure of leadership, nor by saying that the federal government must put in a national economic recovery program.

Until each of the provinces recognizes that the gut problem of our economy in Canada is the need for foreign investment on an endlessly increasing basis, until we deal with the structural problems involved in that deficit, until we get away from the suggestion that we must have foreign investment and therefore our triple-A rating must always be kept untouchable, we will never be able to have the kind of country and the kind of economy we want.

I want to emphasize again, when pejorative terms are cast about I am not talking about an isolationist policy any more than I accuse others of a continentalist policy. It is a policy which says the very simple thing that Canada as a nation, to have dignity and standing in the world and to be able to negotiate in a tough league, has to come to grips with that problem.

That problem is enormous. It is so great that until each government looks at it, we will never solve in isolation productivity, jobs, interest rates, inflation, the General Agreement on Tariffs and Trade, the Foreign Investment Review Agency or any of that litany. None of them will be solved until we come to grips with the deficit on the current account of Canada with the rest of the world. All of it impinges on everything that we do.

The argument the Premier has been making about interest rates is a relatively simple one. He made it before the Premiers. His only argument was that interest rates were not coming down at the same rate they were coming down in the United States, that the spread between our rates and the American rates was a different and greater spread than it was when interest rates were high. That was his argument.

He cannot win that argument because if we have to attract foreign investment in order to meet the deficit on current account for the country, we have to have an interest rate that will attract investment and that is what the Bank of Canada has been doing. Instead of the interest rates being somewhat under and the spread between US and Canadian rates slightly below what they were when they were going up, as a matter of deliberate policy they have now widened the spread. Why? Because foreign investment is necessary for the country. Why is it necessary? Because we will not deal with the

structural problem involved in the deficit on current account.

What is the extent of that deficit, what is happening to it and what are the components of it? I am indebted, as I often am, to the legislative library research service for updating information on some of those figures I wanted for this particular debate. I am talking in millions of dollars, so if members will remember that, perhaps they will have some sense of my understanding of this problem.

The Canadian balance of international payments for the period from 1978 to 1982 goes something as follows. I am not going to use the 1982 figures because they are based only on the first quarter returns and extrapolation of those figures would lead to unnecessary argument. I happen to have the quarterly figures.

The balance of international trade on the merchandise account was positive: \$7,351,000,000 in 1981 as compared to \$4,007,000,000 in 1978.

On the services account—and I am going to come to that because that is what is causing a problem we have to deal with. If we do not deal with it, we, in concert with the federal government and the sister provinces in the country, will never be able to create the kind of Canadian economy that is essential to the survival of the country.

In 1981, the deficit on the services account was \$14,258,000,000, by coincidence not quite twice what our surplus was on the merchandise account. In 1978, our deficit on the services account was \$8,992,000,000, again just a little bit over twice our surplus on the merchandise account.

So it is the services account which is of immense significance if we are to understand what we have to do in order to correct the economic ailment of the country. It happens that the control of the major segments of the economy, what in other lands is known as the control of the commanding heights of the economy, disappeared overseas—mainly to the United States but also elsewhere—during the 1950s.

This first came up as a serious problem of debate, marred as it was, unfortunately, by the personality clashes between the then Minister of Finance of the Conservative government, the Honourable Donald Fleming, and the then head of the Bank of Canada, James Coyne. Apart from the personality problems of that time, there was the fundamental recognition of the road that Canada could have taken yet did not take, a way in which this problem could have

been coped with at that time but was never dealt with.

5:30 p.m.

So, for all of our expectations for the country, we have a current account deficit in 1981, taking into account certain other items that are involved in it of \$5,346,000,000. That is our current account balance with the rest of the world. Our actual deficit on services was the approximately \$14,258,000,000 to which I have referred.

I want to concentrate for a few minutes on the question of the service deficits. In 1978 we had service receipts of \$9,931,000,000, we had service payments of \$18,923,000,000 and a deficit on the services account of \$8,992,000, an increase over the preceding year of 20.7 per cent. I am not going to repeat the figures for 1979 and 1980. Suffice it to say that there was an increase in the 1979 deficit over the 1978 deficit of 8.3 per cent.

In 1980 there was an increase in our deficit on the services account of 11.5 per cent over 1979. In 1981 we had service receipts of \$15,247,000 and we had service payments of \$29,505,000, which gave a deficit on service account of \$14,258,000, an increase of 1981 over 1980 of 31.6 per cent.

As I said, I am not going to use the first quarter figures for 1982 because I think this would lend itself to argument as to whether or not one could extrapolate them for the whole of the year. Suffice it to say that I would like to analyse, if I could, the content of the service receipts component and the content of the service payments component to see where in that analysis our problem lies with respect to what can be done about the economy.

The components of our service receipts are interest, dividends, miscellaneous investments, travel, freight and shipping, and "other." All in all not a bad figure, not a bad balance with the rest of the world if it could be balanced by our service payments, but our service payments are quite out of kilter. It is not possible for us to justify them.

I want to refer, first of all, to interest and dividends. We have to pay interest and dividends on moneys we owe. I do not think there is any way we can avoid that. As time goes on, I think the dividend payments and interest payments may have to be dealt with by fiscal measures, such as the reimposition of the withholding tax, in order that we will retain some benefit for this country of the moneys that will go out.

I am not going to worry about miscellaneous

investment. Travel takes its own course, depending on how we go, and I do not believe at this time that it is of necessity a serious problem. Neither are freight and shipping, and certainly the withholding tax is a relatively minor item. But there is another item called "other" in there, and that is the one which causes us our trouble. We are now paying out, in 1981, under the item "other" \$6,092,000 in "other" payments. It is that "other" payment which is causing a major part of our inability to come to grips internally with our own problems.

The other aspects of it, the interest and dividends, certainly have their part, but that \$6 billion is \$6 billion that goes to other countries for royalties, for management fees, for professional services, for knowhow, all of which are matters that we have deprived ourselves of because of the nature of the control of the economy in other countries. Until we deal with that question, we will never ever reverse that particular flow. I do not need to go on at great length about it.

There was a fascinating article in the *Globe and Mail* on March 10, "Balance of Payments Deficit Reaches a Record High." It goes on to talk about foreign direct investment and that balance, which I have not touched upon and I do not need to talk about at this moment. An interesting quote was, "And an additional \$8.4 billion simply vanished. A Statistics Canada official said, 'The agency has no idea where these errors and omissions went.'" One can see the way in which the account is managed so that we have an understandable presentation of the account.

The other factor is that one cannot get these figures broken down on a provincial basis. The fact of the matter is that the question of the payments out from this country are mainly payments being made from Ontario. Certainly, up until the oil expansion in western Canada, one could have said that the great bulk of the payments, the great bulk of the deficit position of the country, was owing to payments flowing out of Ontario. We, therefore, always have to come up as if it were a virtue by saying: "We have an open door to foreign investment. If we did not have an open door to foreign investment, we would be bankrupt on the world." That is the problem this government fails to deal with.

There are all sorts of articles that pop up every now and then, such as "Trade Deficit Is in Need of Candidates' Attention," "Nationalistic Medication of Economic Haemorrhage", August

25, 1978, dealing with this vexed question. It is not a difficult problem to understand. It is a difficult problem to understand why the government is not able and does not have the capacity to deal with it in a way which is acceptable in this whole area.

I have to deal with the business service payments simply because they have bothered me ever since I practised law and ever since I was engaged on occasion in drafting the kind of agreements under which moneys flow out of the country. Let me give the three reasons, apart altogether from the wider implications.

When the payments flow from Canadian branch plants to their foreign-based parents, the possibility exists for them to be artificially inflated so as to maximize tax benefits to the multinational. As a result, Canada may be losing out on tax revenue. The federal government does monitor this, but it is an open door for tax evasion.

The structure and priorities of the multinational often result in much research and engineering—it is very understated—accounting, computing, etc., being done outside of Canada. This not only costs Canada the cash value of these payments but also retards indigenous development of those skills. This problem is well known. The sums of money involved are very substantial and have a decided impact on the balance of payments. This has been recognized by economists and mentioned in several studies, but no full-scale studies have yet been mounted on this whole question.

5:40 p.m.

There is in this field the need for a complete analysis by the Treasurer, leading to possible, optional solutions through which Ontario could contribute to a restructuring of the economy so we do not have the drain that is imposed upon us by the past error of allowing control of the economy to pass from our hands, and permitting us, over a period of time, to so reduce those deficits that we would be able to avoid the need for such massive inflows of foreign capital.

I think there is a clear line of distinction between my party and the Conservative Party and, indeed, the Liberal Party, on this issue. There is no doubt we have heard every Minister of Industry and Trade, or whatever other designation the ministry may have had, from time to time talk about export promotion, about global product mandating and about the emphasis on exports as the solution to the problem.

We in this party recognize that exporting is a part of life in Canada and a very significant part

of the economic picture to which we must pay attention. But there is absolutely no doubt that until we have a concerted effort at import substitution in Canada we will never be able to bring our merchandise account up to the kind of balance that will offset to a significant degree the deficit on the services account and, over a period of time, go a long way to eliminate that deficit. Import substitution means that we have jobs created in Canada. To the extent that we do it by way of exports, we are continually beholden to the multinational corporations.

One only had to sit with other colleagues in the assembly on the plant shutdowns and employee adjustment committee to understand the kind of factors that determined the decisions made by multinationals with respect to Canadian operations. Whether one agrees with them or not, the net effect is a loss to Canada. If members can believe for one single moment that a multinational corporation is going to agree in some way to permit Canada to global mandate a particular product in demand, I think they are whistling Dixie. I do not think it is possible to be that naive about the world.

The former Minister of Industry and Tourism, the member for St. Andrew-St. Patrick (Mr. Grossman), pushed this to a point beyond belief, if he could believe the Westinghouse Co., the president of which I think was the greatest protagonist of the global product mandating operation, at the same time that the Westinghouse Co. was engaged in breaking the labour laws of Ontario. That is the kind of respect they have for us. They were going to disperse their plants in order to destroy the union base in the Westinghouse plants. They got wrapped over the knuckles for it. We know that. But the kind of mythology about exports this Treasurer propagates in some way or other, that the Minister of Industry and Trade (Mr. Walker) now propagates and on which the former minister was a great salesperson is something I will never understand.

I also want members to understand very clearly that when boys like us start playing in the high-technology field without any clout before we have grown up, we are going to get hurt and hurt seriously. Already the electronics field is dominated in this country by imports. A very substantial part of that field is no longer in our control at all. The way we can grow up and are able to play in that game is to protect in a legitimate, positive and proper way the industries we have, to require the fabrication in Canada of the goods and services that can be

sold as end products, and to get away from the thought that we in Canada can only assemble and warehouse and that we cannot create and make the kinds of end products that will serve our own consumer market as well as an export market in which we could then compete on reasonably equal terms.

If members can believe that a country such as Japan, having moved into the automotive industry and into the other appliance fields in the electronic fields, is not going to move into the high-technology fields in a way that we will always be the poor boy in the game, until we grow up, then I think the government is kidding the people of Canada. I think it is unable to protect our own industries.

This is where my remarks on Bill 38 would be appropriate because I have textile industries and shoe industries in my riding. They are labour-intensive industries and can produce products which can meet both in style and in quality any products from any part of the world, but they are being killed by the import policies of the federal government, aided and abetted by the policies of this government.

All of those areas are areas where this Treasurer has got to bring in some new imagination or get out and let somebody else bring imagination to the problems that we are going to face. All of it is involved with trade and the General Agreement on Tariffs and Trade. The man—I forget his name, Mr. Grey, but I am not sure—who is now in the employ of the provincial government was one of the main negotiators of the General Agreement on Tariffs and Trade and knew that he was taking a defensive position.

Canada under GATT is moving to free trade at a point in time when the other nations it is dealing with are not prepared to move with it. Whatever the merits of free trade, there is no such thing as free trade between Canada and the United States, between Canada and the European Economic Community, and between Canada and Japan until such time as the nontariff barriers are dealt with.

I do not know, and this is why I kept bringing up the question, what Ontario's position is, now that it flubbed the first one in the original rounds of the GATT negotiations. What is the Treasurer going to tell the assembly is his position when he goes to Geneva? Is he going to Geneva or is he going to send someone else to argue our case for us?

Who is is going to Washington to talk to Ambassador Gotlieb and his charming wife,

about whom I read more in the press than I do about the economic problems of the country? Who is going to Washington to talk about the US trade agreements from the point of view of Ontario? Is Ontario going to be part of a formal delegation of people from the federal government and our sister provinces that will deal with these problems? Who is going to be in Washington to answer the unreasonable, improper and ignorant, in some respects, arguments which are being made against the policies of this country?

Why is it that I hear arguments put forward by the Treasurer and the Premier against the Foreign Investment Review Agency which are the identical arguments that are being put forward in the Congress of the United States? Whatever is it that allows us to think that those positions are positions which are for the good of Ontario and for the good of Canada?

I do not know what the answers are. I am simply saying to the Treasurer that I wish he would prepare and submit to the assembly an analysis of our balance of payments with the rest of the world outside of Canada, analysed on the basis of Ontario. I would then like him to look at it and decide how he will move in sector after sector to remove the deficit that we have on the account, be it on the merchandise account or be it on the service account in that particular sector.

When will he put before the assembly, excluding the distortion caused by the automotive pact and the trade under the automotive pact, what has happened to the other part of the manufacturing sector of Ontario? Why has it dropped a significant number of percentage points as an employer of people over the past eight or 10 years in Ontario? The percentage of the employed labour in the province in the nonautomotive manufacturing plant has dropped from somewhere between 30 and 35 per cent, I believe, to something like 25 per cent.

5:50 p.m.

When is the Treasurer, in conjunction with the Minister of Natural Resources (Mr. Pope), going to deal with the vexed question of the processing in Canada rather than the export from Canada of the raw resources of the country? Are we forever going to have a Minister of Natural Resources whose response in a shrill voice is to read a diplomatic communication from the government of Great Britain to the government of Canada about an agreement entered into between the Mond Co. and the International Nickel Co. in 1929 as a justification for a policy at this date? When are those

things going to be addressed? When are we going to look at the forestry industry and what is taking place there in relation to the commitment by the government of moneys for the revitalization and restructuring of that industry?

Is there any way in which we can get this government to get off the hook on the question of having to be the ones who are urging us to solve our future by the import of foreign capital in disproportionate amounts that we cannot afford to service over a period of time? If it were to project the deficit on the services account for interest dividends and the other business services I have tried to speak about into the future, I think it would be terrified, even if it took the lowest gradient of that accelerated acceleration of those payments and even if it took the most optimistic view of the growth of the capacity of the country to sustain it.

One talks about government deficits. If there is one thing one can say about government deficits it is that the money is owed to people in Canada, by and large, and that the moneys that cause the deficit are spent in Canada and create employment and jobs and produce some momentum in the consumer society. But all that the money that comes from abroad does is to make us more and more dependent on those countries and those distant multinational corporations for things we should be producing here.

We can be certain that the research and development facility of this country would be grossly different and vastly better had we had the research and development that over the years we have paid the multinationals to do elsewhere. We can be certain that we would have jobs for the highly skilled graduates of our universities and post-secondary educational areas if we had had this kind of research and development in areas of explosive development of industrial and manufacturing growth. But we do not have any of those things.

One can say it is a litany of sad news. It is not a litany of sad news. These problems have been with us since 1960, but we have been talking about them and never dealing with them. I do not think it is very difficult—to take Mr. Louis Rasminsky's remarks, I do not know how long ago, when he was governor of the Bank of Canada—to say simply that “the view that Canada could not have enjoyed sufficient economic growth without this vast foreign investment in Canada, and that the Canadian standard of living would have been much lower if we had not had this vast foreign investment in Canada appears to me to be very questionable.

“The nature of our development might have been somewhat different, but I believe that a higher average rate of employment and more growth of total employment could have been maintained and that a production of goods and services in Canada could have been achieved with much less reliance on a net increase of foreign investment in Canada if Canadian policies had aimed at such a target in the past and could be achieved by Canada in the future if Canadian policies are in future aimed at such a target.

He goes on to elaborate on that, but I need not refer to it. He continues: “At a time of relatively high unemployment in Canada, it is difficult to avoid the conclusion that the continuing very large deficit in the balance of payments is not only disadvantageous in itself but is indicative of an excessive capital inflow as well as structural weaknesses in the Canadian economy which result in excessive aggregate spending in goods and services provided from abroad to the detriment of the production of goods and services of similar character in Canada.

“It is clear that the recent high levels of unemployment in Canada do not arise from a deficiency of total spending by Canadians, or of spending for capital purposes. A relatively very large fraction of our gross national expenditure has, however, been spent directly or indirectly on balance for imported goods and services and has to that extent failed to provide employment in Canada.” One could go on at great length. The argument has been put many times over the years by many people who are much better able than myself to place that rather intricate argument.

I happen to have an absolutely magnificent paper, which I would be glad to lend to the Treasurer so that he could Xerox it and distribute it to all his bureaucrats in the ministry. It is a discussion paper on trade deficits and trade policy, in single spacing and in small type, entitled *Manufacturing Strategy*. It is 23 pages long. I do not ask the Treasurer to agree with each and every sentence, but the substance of the argument has never been better put than in this particular paper.

I paid tribute the other day to our research people who have worked in the field of economics—not to make invidious comparisons with those who work in research in social, educational and justice fields. One of the persons who over the years has provided us with a great deal of the basic, fundamental knowledge that we share in our caucus on economic matters is Anne Martin, who is the author of this

particular paper. She is very knowledgeable about questions related to the General Agreement on Tariffs and Trade, investments and the balance of payment problem, along with David Robertson and Sym Gill, who have worked indefatigably in our research on Bill 179 since it was introduced.

Again, without making invidious comparisons with others who work equally hard in other fields as occasion requires, they have produced the sound arguments which we have put forward in this assembly on Bill 179 and which will, I hope, cause some thought in the government members, rather than just irritation, frustration and a little squirming in their seats, and may lead to a productive debate.

I am going to conclude because I have some canvassing obligations in Broadview-Greenwood when the House recesses at six o'clock. I know it will be a great disappointment to the members of the assembly who are here, but while I may be in my place at eight o'clock, I do not anticipate

that I will be speaking in the assembly. I have a quote which I thought was appropriate to conclude my contribution to this debate, if I can find it. I very seldom write something out, but I wanted to write this out because it says what is wrong when we come right down to it.

"I believe it is possible to tell citizens the hard facts of life and get them to make sensible decisions, but doing that requires something that seems completely absent in the Ontario government: a sense of fairness. Sacrifices can be handed out, but only if they are handed out fairly so that no group feels that it is carrying more than its fair share of the load, and so that no group seems to be unfairly benefiting from the sacrifices of others."

That summarizes my contribution to the debate, Mr. Speaker. I thank you for your patience and attention as I have tried to maintain the relevancy of my comments to Bill 179.

The House recessed at 6 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 112

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Tuesday, October 5, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 5, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

The Deputy Speaker: The member for Riverdale had the floor.

Mr. Renwick: Mr. Speaker, it is with some great pleasure that I yield the floor to the Minister of Colleges and Universities.

The Deputy Speaker: My mistake. The honourable minister.

Hon. Miss Stephenson: Mr. Speaker, it is with some pleasure that I rise to participate in this debate on Bill 179. I first would like to congratulate the member for Riverdale, who has demonstrated in the past two days that his recovery from the vascular difficulty with his coronary arteries is obviously complete. Anyone who can manage to exude that amount of air for that period of time has to be in excellent physical condition. I should like to congratulate him.

Mr. R. F. Johnston: Try to be as succinct as he was.

Hon. Miss Stephenson: Succinct? That was succinct? Oh, well, the member's definition is somewhat different from mine.

I have listened with some interest to a good deal of the debate, and I use that word advisedly, on Bill 179 over the past several days. From the content that has been delivered, one would have to judge that some members of the opposition have been contributing from a point of view that is either deliberately obfuscating or based on abject nescience.

There is no doubt about the fact that the wisdom of the world does not reside totally within Queen's Park. I have been the first to make that statement, and I will probably continue to make it from time to time as well, although I may be the last to make it. But from the contributions provided by certain members of the opposition, it is completely clear that

the expertise necessary to judge whether there has been good financial management in this province is sadly lacking.

I refer members to an interesting article which appeared in the Montreal Gazette during July 1982, in which the financial editor of that meritorious newspaper strongly suggested that the reason Ontario could survive in these difficult days was that it had been well managed, unlike its sister province.

In the Toronto Star of July 30, there was a report by Eric Starkman of its financial department which reported cleanly and clearly that Moody's Investors Service had again given this province a triple-A rating based on the fact that this rating is the highest and unqualified endorsement of the province's financial health and stability as a result of good management.

On September 20 in the Toronto Star the editorial staff of the business and administration area reported that the Canadian Bond Rating Service had given Ontario's debentures a triple-A low rating in its first evaluation of the province's economy. It stated that "Ontario's financial management is 'excellent,' and the province has 'a good record of forecasting its revenues and its expenditures.'"

But I remind members that it went on to say that a "disturbing financial trend is that Ontario will receive lower transfer payments" this year from the federal government, "which are mainly used to finance health, university and college expenditures." And it expressed its concern about the future of Ontario based on the unilateral actions of the federal government of this country.

I should like to state to my honourable friends that in most newspapers the most important news of the day is on the front page. There is one small item I noticed a little while ago; it appeared on the front page of the Globe and Mail, which is certainly an all-important area because it was on that front page, although it was under the heading "Your Morning Smile." I should like to quote it: "This morning opportunity knocked at my door. But by the time I pushed back the bolt, turned the two locks, unhooked the chain and shut off the burglar alarm it was gone."

Mr. Wildman: You sound hoarse. Are you hoarse?

Hon. Miss Stephenson: Very. I have had a very bad cold. Thank you for remarking about my health.

Mr. Cooke: You should see a doctor—an opted-out one.

Hon. Miss Stephenson: Just as good as any other.

I believe that the restraint package before this House is a point of opportunity for Ontario and its people, and the government of this province after very thoughtful consideration has chosen to seize that opportunity.

Ontario's five per cent initiative, I remind members, is a much more equitable package than the federal government's six and five program, which is indeed an illusion, and has more significance than just the numbers involved. It is a signal to the citizens of this province—in fact, to all of us—that we have been living a little bit too high on our expectations. We have all been guilty of taking out of the economy more than we have been putting in. That is a fact, and each one of us in this House knows it in his individual heart to be true.

I cannot think of any area in our society that has been buffeted quite as severely by the effect of high expectations as the education system. In many instances even the schools have been asked to take on responsibilities that others traditionally had assumed but now have abdicated. I believe that in this province and this country we have to rediscover our responsibilities, and in so doing we may very well have to re-evaluate our self-interests and expectations, which very frequently are quite unrealistic, in an effort to bring about a greater sense of the whole of this society. There is no doubt that this is going to involve some sacrifice.

Now, from whom was this contribution?

Mr. R. F. Johnston: The member for Riverdale.

Hon. Miss Stephenson: Thank you very much, member for Riverdale.

Mr. Riddell: Take a bottle of Tylenol.

Hon. Miss Stephenson: And Visine to you, too.

8:10 p.m.

Mr. Speaker, there is no doubt that this will involve some sacrifice on the part of all of us. It will mean restraint in income, and in education it will mean temporary suspension of sanctions to ensure a degree of stability during the one-year life of the program. It will also be a time for

us to catch our breath, to reflect upon the future as well as on the past and the present and to move towards combating inflation, which has been a virulent attack on our spiritual and physical wellbeing over the past decade.

There is no doubt at all that there are those in our society who will continue to disagree with the program; they will still want to take out more than they are willing to contribute. We have witnessed their disagreement and we read their thoughts; we see them on placards, in advertisements and on tee-shirts. It is my belief, however, that those who lead the fight against this government's restraint package should take a little time now and then to look over their shoulders, because I believe they will perceive an ever-diminishing following.

It became very clear in recent weeks that action had to be taken in the interests of the public of this province and this country. I believe the government's restraint initiatives address this urgent reality. In my view, the people of this province, including those in the public service, have demonstrated a strong willingness to work together to achieve the objectives of the restraint program.

It may be of some small interest to report that as of late last Friday afternoon, the government had received 1,400 telephone calls related to the restraint program. I should say as an aside that in any average week, the two ministries for which I have responsibility receive about 2,000 telephone calls of public inquiry.

The point is that there is a wide acceptance of Bill 179, which is before this House. I might add that of the 1,400 telephone calls received on the restraint program, 400 were made on the day immediately after the announcement and the majority of the calls related to education came from those seeking clarification on how the program would affect teachers and trustees.

As all members of the House know by this time, the salaries of public servants, including teachers, will be limited to a five per cent tunnel for one year. Those whose contracts expired between October 1, 1981, and September 30, 1982, will have their contracts extended for one year and the increase will be limited to up to nine per cent. Once that expires, the contracts will come under the one-year, five per cent program.

The five per cent ceiling applies only to matters of compensation and in no way inhibits the possibility and the reality of bargaining between teachers and school boards on all other issues, including those related to working condi-

tions, parent-teacher activities, curriculum and the structure and distribution of teachers. In addition, this applies to the teaching and support staffs within the community college system in this province and to the universities.

The restraint on compensation imposed by Bill 179 will affect the remuneration set by school trustees. As members will recall, only very recently in Bill 46 the Education Act was amended to give school trustees almost precisely the same rights as those enjoyed by members of municipal councils and other elected representatives in establishing their own level of remuneration.

As most members know, before that amendment the maximum allowance for trustees of our largest school boards was \$7,200 a year, with an additional allowance of up to one half of that amount for the chairman of the school board. I remind members that this schedule had not been changed since the passing of the Education Act in 1974.

In recent weeks, however, I am sure every member of the House has had an opportunity to read about some of the increases that have been decided upon by certain members of school boards since the amendment of the Education Act. The trustees established these increases in the past few weeks because the Education Act amendment provided that the outgoing board must determine the remuneration for the incoming board and for the entire term of that incoming board.

Some increases have been set by trustees by resolution. Some of them have been up to the level of 140 per cent. They have been large, there is no doubt about that, but I am pleased to report as well that some boards decided upon no increases at all, and some upon very modest increases.

All trustees will come under the influence of Bill 179, and the limit for their increases for the period beginning December 1, 1982, which is the first date that Bill 46 could have come into effect, may be up to the five per cent ceiling. It may also be less than that.

Trustees, however, should take whatever action they decide is appropriate before the November 8 municipal elections. That resolution, which they must pass, should incorporate and state the level of remuneration for the succeeding years, and that information must be made available to the public for their consideration so that trustees can be held accountable for the raises they vote for the incoming board of education.

I remind members that the new board elected as of November 8, 1982, will be able to do one of two things. It will be able to uphold the resolution of the past board, announced well before the November 8 election, or it will be able to reduce that amount. I believe it is up to every elector to determine the position of each of the trustees in the board areas for which they have some responsibility so that the elector may support a trustee who best represents the fiscal position which that elector feels is appropriate.

Turning to tuition fees, the Premier (Mr. Davis) has announced that the increase for Canadian students for the next academic year, 1983-84, will be limited to five per cent. In the past the Ontario student assistance plan has been improved to accommodate the tuition fee increase for eligible students, and I fully expect that this practice will continue this year.

I anticipate that the transfer payments to boards of education, community colleges and universities will be announced in the usual way at the usual time. I do not have information at this time on what those levels will be.

As I said earlier, I believe the government's restraint program is a positive opportunity for the people of Ontario to work together in a co-operative and anticipatory way to meet the demands of times, which are exceedingly difficult. There are very few members of this House, with the exception of the member for Stormont-Dundas-Glengarry (Mr. Villeneuve), the member for Essex North (Mr. Ruston) and perhaps the member for Riverdale (Mr. Renwick) and myself, who recall the difficult times of the late 1920s and early 1930s. I do recall them, and I do not want to see this country sink into the morass that encompassed and involved all Canadians at that time.

In spite of the totally inappropriate interjections of the opposition, this bill is designed to remove us from that kind of possibility. Whether the opposition does so or not, I have faced the fact that all Ontarians can work together in a nonpartisan way to bring about a more stable and more secure future not only for ourselves but also for our children and our grandchildren. That is what I believe each one of us must set about to do today and in the future.

8:20 p.m.

Mr. McGuigan: Mr. Speaker, this is the second time in my five years in this chamber that the Premier (Mr. Davis) has called the Legislature to a special session. The first was to bring a halt to the Toronto transit strike. This special session has a far more formidable task

before it: to try to do whatever Ontario can and must do to adjust to the worldwide economic recession and to halt the slide into an economic catastrophe.

Already economists and political figures from every quarter have described the situation as the worst that has faced us in 50 years. Perhaps our efforts will be in vain. I remind the honourable members that history is not on our side.

Mr. Wildman: It is on our side.

Mr. McGuigan: Perhaps so. I will think more about that later.

Quite predictably, depression has visited the world economy every 50 years: in 1929, 1879, 1829 and earlier. Our current downturn had its beginnings in 1979, and it would appear it has not yet hit bottom. Perhaps Ontario's share of the world's economy is too small to have any impact. Perhaps the Premier has moved too late, too carefully, too deliberately, too politically and too long after the polls indicated public support for a restraint program.

As small, late and feeble as this government's reaction has been, when the economy has crashed and then slowly recovered or become manageable, when the downturn has slowed and recovery is taking hold, surely the people of Ontario deserve the right to look back and say, "Well, at the very least the people we elected, the people we entrusted with our votes and confidence in 1981, when the dark clouds were just appearing on the horizon, that government did something."

We are told that wars are not won by generals who make the perfect move but by generals who make some move. I can understand the Premier's hesitation and reluctance to move. He and his ministers have endeavoured to project an impression of good management through almost 40 years of unprecedented expansion in population and scientific advances, resource exploitation and real rises in income, at least until the 1970s.

The Premier has claimed credit for these advances. Understandably, he does not want to claim credit for our reverses by admitting that the government can do anything about the present malaise. How tempting it has been to sit back and blame all the troubles on Ottawa. Fortunately the opposition, led by the member for London Centre (Mr. Peterson), forced the government to act and we are here today to deal with the problem. He forced the government to act by picking up a program that we advanced.

Some three years ago, I and the member for Huron-Middlesex (Mr. Riddell) attended a memo-

rial lecture at the University of Guelph in honour of Professor McLean, one of the very honoured professors at that university. The speaker, a noted United States economist, entitled his lecture, "The Great Hamburger Society." It seems a rather a strange title, but he was addressing the changes in the US and Canadian meat trade and the economy of the North American continent over the past 30 years. He described how the Great Depression of the 1930s was triggered by unregulated, wild speculation in the stock and real estate markets, people buying worthless paper on 10 per cent margins and reaping tremendous profits, until finally margins were called and the whole bubble burst and we had the crash of 1929.

He said we would see the same in the 1980s—and I hoped he was talking about the late 1980s; I did not realize it was that close—but for a different reason: the inability of governments and individuals to service their debts. He said to pay off the debt of the US government would take the entire income of the US population, allowing not a dime for consumption, for a period of three years. Of course, that was an academic exercise, but it illustrates the magnitude of the job.

What are the choices facing us as a province and as a country? We can let the economy take its course, sit back as we have been doing and do nothing. We can let individuals and companies go bankrupt, thus eliminating their debts. That simple solution was allowed to run its course in the 1930s. We must give some credit to Franklin Roosevelt and Lord Keynes for trying to correct the situation with the Reconstruction Finance Corp. spending. It helped. Nevertheless, the bare truth of it is that US unemployment was in the millions up until the Second World War. It took the huge demands of the world for US arms to finally bring about recovery.

Mr. Wildman: Is that what you are saying, that we need a good war?

Mr. McGuigan: No. There are people calling for similar actions in spending today. Both the federal and provincial governments are moving in this direction, but it is not enough now, as it was not enough in the 1930s. Thank God, so far the world has rejected a third world war as a way to recovery.

We could reflate the economy once again. We could try one more round of hyperinflation, as the Mexicans, the Argentinians and many other failed economies have tried. We could set the money presses in motion to destroy the value of our present savings and whatever faith

is left in our monetary system. Most thinking people reject that notion. We could adopt Reaganomics, destroy our social programs, put our people to work in the arms race and, while bowing to the gods of restraint, run up even greater deficits.

Interjections.

The Deputy Speaker: Order. Someone is asleep at the mike. From time to time we have difficulties in the public galleries. It would be nice if we did not have difficulties in the chamber.

Mr. McGuigan: While on that point, Mr. Speaker, I might remind my friends to the left that when they target my riding and send their speakers into my riding, it is no problem for me to deal with that when I pull out sections of Hansard and see how much respect they give to people who speak from an agricultural point of view.

Mr. Wildman: Mr. Speaker, on a point of order: It was my understanding that the Speaker was calling the Tory benches to order, not the NDP benches.

Mr. McGuigan: There is another option, an untried and unknown route: to seek a consensus among Canadians and Ontarians to adopt a plan that at least offers to rational thinkers a chance of spreading the burden, of stabilizing the economy, of offering some hope of returning to an economic climate in which people can plan and invest in Canada and take part in a great experiment—and, of course, it is a great experiment.

The early part of this century saw the capitalist system in place. It worked for two or three decades until it resulted in a concentration of power that threatened the entire system. In the next 50 years there was a splitting of power between government, industry, unions, farm marketing boards and professional associations that worked quite well.

8:30 p.m.

Today, each one of these groups seems to have conquered its particular field; to different degrees, of course, and I would not expect everybody would agree, but at least they have conquered the worst problems they faced and now the body is at war with itself.

Farm marketing boards have squeezed most of the inefficiencies out of the marketing system. I suppose I will not get much agreement on this, but unions have squeezed most of the exploitive elements from the work force, though certainly not all. As time goes on, our view of

exploitation keeps changing. I hope it always does keep changing and moving forward.

Governments have squeezed all of the taxes they dare to and professional organizations have perhaps squeezed more than their share from all of us. Industry has the balance sheets to show that it is being squeezed to death. I submit the only people left to squeeze are those who are unorganized, those on fixed incomes, the people who are unemployed and those on welfare. If present trends continue, these people will be squeezed right out of the picture.

It is recognized by a great many thinking people that the time has come when we need a national consensus, not based on political affiliation or party but on a recognition of our problems, to try to work our way out of the situation and at the same time to try to save everyone in the process. I trust it will save everyone. Certainly we in Canada reject the notions from the United States where the poor and the defenceless are asked to carry the burdens. We have a different type of society in Canada and we should preserve it.

I might just mention a trip I made to the state of Arkansas about four years ago. A group of us from Kent county were touring waste handling plants and there was one in Arkansas. We stayed at the Holiday Inn in Little Rock—the rather infamous place—

Mr. Renwick: How do you distinguish that Holiday Inn from the Holiday Inn in Orillia?

Mr. McGuigan: I have never been in Orillia. That is Stephen Leacock's birthplace; it is famous for that.

At six or seven o'clock in the morning, the temperature outside was already in the 90s. The window of my room happened to look out on the backyard and there were several of those big dustbins that commercial companies use to take away their waste.

From my nice air-conditioned room, I looked out upon a pickup truck in which two ladies drove up. The younger of the ladies scrambled into the dustbin and started throwing out the cardboard cartons. The older lady, and she was quite an old lady, took these cartons, disassembled them, stamped on them and put them in the truck.

I would not say that work is undignified. I think all work is dignified. I have done some pretty dirty jobs myself in the way of labour. Nevertheless, it struck me then—that was three or four years ago—that was a hell of a way to run a country, in that the people of that economic bracket had to make their living out of the

dustbins. I really reject that, as would every one of us here.

Our leader, the member for London Centre (Mr. Peterson), sees the possibilities and he has been called naïve. The people who do the calling are seeing their way failing. Their way is failing but, like the generals of the First World War, they are calling for one more massive charge. Such tactics sacrificed up to 100,000 men at a time.

Mr. Wildman: We are going to sacrifice 500,000.

Mr. McGuigan: Well, that is five charges. It was only at the last great battle, I remind the members, that the Allied generals changed their tactics: they retreated, they let the enemy advance into the mud of no man's land and then they defeated them.

These people say: "Well, that is naïve. Keep asking for one more charge." I say we need to retreat, every one of us; to reduce our demands and become cost competitive in world markets, to set aside more of our national income to service our debts, to invest in the future and ensure the continuance not only of our individual wellbeing but also the wellbeing of the country.

All we lack is the national will to carry out such a program. We do not lack the brains or the civility. In spite of the rhetoric that each group by force of habit keeps spewing out, we in Canada are among the most civil people in the western world. We have regional tensions, we have regional disparities, but we are trying to overcome them and we are doing so with some success.

Our Charter of Rights and Freedoms has already struck a blow for civility in education. If we in Ontario reciprocate, these tensions can be reduced, in spite of the rhetoric from Robert White, a very astute labour politician—and I expect he is a very astute man—who has had forced on him the new realities of the marketplace; and in spite of political differences the Premier and Trudeau can co-operate, as they have demonstrated in the past.

If we fail it will be because of false pride, political self-interest and individual self-interest; and if we fail we will deserve the consequences that will follow.

Most people agree that inflation is the problem and the results are economic robbery of the savings of the elderly and economic corruption of the youths. Inflation destroys the savings of the elder members of society and encourages profligate spending by the young on the assump-

tion that they can pay back their debts with cheap dollars. Thousands of young people have already faced the fallacy of that assumption. They have lost their homes, they have lost their automobiles and their furniture and, more important, they have lost their self-respect.

Many of these people will never make up for their losses. They have been given a setback both economically and psychologically that will be difficult to overcome. Older people who have retired on what appeared to be adequate incomes find that their dollars are buying less and they cannot live on their own resources.

I wonder if all of us in this chamber have really thought out the simple process of inflation. Have we thought out that if one borrows \$100 and pays it back at the end of a year in which inflation has advanced at a 12 per cent rate, the \$100 returned to the lender has a purchasing value of only \$88? To be fair to the lender, one has to add another \$12, and one is then paying back only the purchasing value of \$100.

To pay an economic rent for the use of the money, one has to add another \$3 to \$4. The inflation rate of 12 per cent therefore generates an interest rate of 15 to 16 per cent. But such an interest rate becomes a huge burden on borrowers to invest in the plants and inventories that supply our jobs and our needs.

If I could just digress, a few days ago I visited a plant in my riding that makes windows. This plant was actually very busy, very active. I could not really get an explanation of why so many windows were being ordered, but they had actually put on extra shifts to cover the demand for the windows.

They said that part of the problem when the spring came and the demand for these windows appeared was that they had a low inventory, brought about, of course, by the high cost of maintaining inventory with money that would cost them 18 to 20 per cent.

They then put on the extra people and they ordered supplies from their suppliers, from aluminum companies, plastic companies and glass companies, and they found some of these people did not have inventories because they too had misjudged the market or perhaps were unable to even carry that inventory.

8:40 p.m.

The system feeds on itself until it reaches a saturation point, such as now, and the whole system is threatened. It stops the megaprojects. It is easy to toss around huge numbers but some of the figures that we have been seeing of

projects on the shelves from now till the end of this century run as high as \$400 billion.

Actually we will need the products of these megaprojects in the oil and petroleum field to carry our economy into the next century. Because of the front-end costs, the tremendous amount of money that is required to be put up to build such plants, and because of the high interest rates, most of these megaprojects are stopped.

Mr. Speaker, I thank you for your note about Bill 179. I have now mentioned Bill 179.

It is not fair to pick out one segment of society for restraint; namely, the public service sector.

Mr. Wildman: Is that what you mean?

Mr. McGuigan: Yes. It is not fair to pick out one group. We in this party can support at least the concept of the present bill, because we hope to add several amendments to it to change it to make it more fair.

We can read the figures. Farm income is down 23 per cent. Industry profits are down by 60 per cent. There are plant closures on every hand. The unemployment roll is being swelled by 10,000 to 12,000 people a month.

I believe the system is running down. I know if there is a time lag in operations, when it catches up in six months—or in a year, but likely in six months—the restrained public employees will themselves agree that they are now in a favoured position. I see these forces at work in my riding, on both the agricultural economy and in the industrial sector.

I would just ask, as a rhetorical question, what brings about good times? The answer is population growth. As all of us know, there is not a very great population growth in Canada at the present time.

New discoveries, new scientific developments would bring about new products, but unfortunately the products we are discovering and working on now seem to be taking jobs away from people. I hate to admit to any tendencies towards being a Luddite, but I really believe we have passed a watershed and many of the machines we are now bringing in are destroying rather than making jobs, as they always have in the past.

National projects, such as railroads, city building and canal building in the past have provided the engine for good times. We have, as I mentioned, megaprojects, but we cannot go ahead with those now because we cannot finance them.

I would like to give a bit of the agricultural background of my riding and why we find ourselves in such difficult straits today. In 1972,

only 10 years ago, the USSR decided to enter the world grain market. Prior to that time, they met recurring grain shortages by slaughtering their livestock, followed by several years of low-meat diets for the people. Gradually, as grain stocks recovered, they would increase their livestock production.

The people in the USSR accepted such deprivation under the iron rule of their government. The result was that when they went into the market in 1972 they decided that because of a change in policy they would no longer slaughter the livestock.

A result of this was that wheat went from \$1.65 to \$5 a bushel and all surpluses disappeared. The next step was that the US government put into production some 60 million acres of land that were held in the land bank program and it meant fence-to-fence planting in the grain belts of not only the USA but also of Canada, Australia, the Argentine and in countries such as India. It will probably surprise many of us to realize that today India is either self-sufficient or very close to being self-sufficient in grain production.

The new prices encouraged grain production throughout the world, but in 1973, when prices ran as high as \$12 a bushel for soybeans, the US government put an embargo on exports in order to guard their domestic economy. Again, in 1979, under the Carter administration, they put an embargo on grain as a result of the USSR invasion of Afghanistan.

I think most of us in this chamber sympathized with that move. But the USSR decided that the US was an unreliable supplier so they have increased their investment in any country that is willing to supply grain to them. They are receiving grains from those countries at the present moment.

It is ironic for us, with this huge crop of grain we have, to realize that the Russians actually need somewhere between 40 million and 70 million tons of grain. They have a short crop. They need our grain. But astute traders that they are, buying through one office they are manipulating the world grain trade—and I suppose looking at their side of it, one could not blame them because they feel aggrieved by the actions of their suppliers—they are going to wait until the grain prices are driven down as low as possible and we expect that they will then gradually come back on the market. In the meantime, many of our farmers will be bankrupt.

A result of this bit of history was that farm investment sky-rocketed, land and equipment

prices soared. But now the second event, the creation of surpluses of grain, brought about a 20 per cent increase in corn prices since 1973, and 150 per cent increase in tractor prices for the last year.

With a prospect of an 8.3 billion bushel corn crop in the USA, Ontario prices, after drying charges are deducted, are in the area of \$2 a bushel versus the cost of production, a figure produced by the Ministry of Agriculture and Food, of \$3.78 per bushel.

Some producers who have yields greater than average would have somewhat lower production costs. But in no event can one see a return on labour. This means that such farmers are not looking at a 50 per cent reduction in a possible 1983 increase in salary; they are looking at a salary of zero in labour income.

Mr. Wildman: That's right, but what does this bill do about that?

Mr. Speaker: Never mind the interjections please.

Mr. McGuigan: In addition, many will also have a zero and perhaps even a negative investment income. As an example, one of the ag reps in a part of the two counties I represent told me he was reviewing the case of one of the young farmers for whom he had done a farm adjustment this last spring.

I must tell members this was in the eastern part of the riding which received excessive rains this year, just a reverse of the water pattern in 1981. He said that one young farmer could expect losses of \$260 per acre even though he had followed all of the management practices recommended by his office. This, no doubt, is an extreme case partly caused by bad weather, but price made a bad situation worse.

The agriculture representative last spring figured corn at \$3 per bushel and soybeans at \$7 per bushel. The reality today is \$2 for corn and approximately \$5.50 for soybeans, and they have not yet seen the harvest low prices.

8:50 p.m.

The federal people are predicting a 23 per cent drop in farm income. It could be greater because last year I would guess that farmers unloaded inventory they may have been carrying over from previous years for tax-saving purposes. Such a cushion is probably not available this year.

Farmers who have contracts for specialty crops such as tomatoes, peppers, cucumbers and tobacco, and who hold their livestock quotas, will fare better. But these people are a

relatively small proportion of the farm numbers in 1982.

The effects are hitting other people. Farm implement people are hard hit. Many in the farm machinery industry feel that farmers will soon be back in the market. For the sake of members from Brantford and other areas, I hope they are right. But the fact is that we farmers are very well equipped today. Tractors that cost \$30,000 to \$75,000 and combines that cost \$50,000 to \$150,000 are well built and last for years.

The capacity of these machines is such that they are used very few hours a year. A neighbour of mine who farms 1,600 acres puts in only 300 hours a year on his big four-wheel-drive tractor. When that machine is 10 years old it will just be in its prime.

There are farm tractors in Ontario from a former age that have been in use for thousands of hours. I have two, built in the 1940s. I have them for a special purpose but they still run. Our meters have frozen up and locked, but I would estimate they would have to be around 10,000 hours.

Mr. McKessock: Do you have your own museum?

Mr. McGuigan: I really have, yes. You must come down and see it.

For the farmers to come back into the market two things must happen. Corn prices would have to double. The chances of this happening are unfortunately dim. The arms race currently devours \$1 million a minute around the world. I was astounded when I read that figure but I took the time to work it out. It comes to something like \$500 billion a year. That is a little over \$1 million a minute.

The low price of gold, around \$500 per ounce in Canada compared to \$800 per ounce in the heady days of Russian purchases in the early 1970s, practically guarantees low grain prices. Russia pays for grain with gold and many people suspect the gold is mined, at the worst by slave labour and at best by people directed to work in the mines.

The other requirement, of course, is lower interest rates. This government, of course, realizes that the economy is winding down and the government delayed getting into the program until it was certain that inflation was already declining. They then decided that it was safe to follow and then claim credit for the success of the program.

It reminds me of a personal incident. In the orchard business we are bothered by starlings.

One of the ways we used to get rid of them was with a good old shotgun. I got fairly proficient at shooting them on the ground so I decided to try my hand on the wing. I had very little success. I seldom, if ever, hit one.

Finally, one day, a pair of birds were crossing my line of sight. I thought I took a pretty good lead on the head bird, perhaps 20 feet. I pulled the trigger. To my amazement, the second bird fell. The second bird was trailing the first by 20 or 30 feet.

I believe this government takes aim at the tail bird and hits the lead bird. If they follow their usual practice, they will present weak legislation that is easy to apply to the public sector but largely ignores the business world. Monitoring shows concern, but not monitoring without action; and as we know from past experience, inaction is the hallmark of this government.

I want to give a couple of examples that people in my riding know very well. Some time in the late 1960s, a grain company went bankrupt in Kent county and farmers were not paid for the grain they delivered, so the government brought in the Grain Elevator Storage Act, which provides for two inspectors for all the grain elevators in Ontario. These have been expanding at a rapid rate as grain production has expanded easterly in Ontario.

The act provides that a storage receipt be issued when grain is delivered, or that a warehouse receipt be exchanged for a storage receipt within a short time. The act further says that at all times the operator must have on hand, in his own or in a terminal elevator, grain sufficient to cover the storage receipts.

This created a problem. In order to have grain to offer to the grain trade at times when farmers were not selling their receipts, the grain operators had the farmer sign a deferred contract, which meant the farmer was paid on the basis of the Chicago price related back to Chatham, or at prices related to the Chatham track price at the time the contract was closed out.

The legal reality was that the ownership of the grain passed to the elevators when the contract was signed and the Grain Elevator Storage Act ceased to protect the farmers at that point, but, unfortunately, many farmers felt they were protected.

In any event, the protection consists only of punitive action against the elevator operator. There was never any money protection. All that could ever be done under the act was to put the fellow in jail. Farmers who had grain in the

Tilbury Farmers' Co-operative are still counting their losses, and the act is virtually worthless.

I understand the government now has some changes pending to the act, but following their practice of not fixing something if it is not broken, this government waits until a few people are broken and then it uses their agony to justify the change. They rush in as heroes and fix something they have knowingly overlooked. This is a total abdication of their expected role, which is to provide leadership to the people of Ontario.

Mr. Ruston: Same as the livestock protection.

Mr. McGuigan: That is my next subject. The Farm Products Payments Act is another case in point. Owing to bankruptcies in the meat packing and canning industries which devastated some producers, they brought in this act in 1975. It provided up to \$250,000 in seed money for insurance funds that would take over in cases of bankruptcy, but gave enabling authority for marketing boards and producer groups to request that a deduction be made from all or certain classes of marketing to build up a fund deemed to be sufficient for the purpose.

Naturally, farmers divided into two camps. Those who were fortunate enough to sell directly to, say, Heinz or Libby and other large processors, felt they were at no risk so did not want to take deductions to pay for other growers who might be at risk. Similarly, livestock producers who sold directly to such large packing plants as Canada Packers felt no need to subsidize their neighbours who sold to more risky accounts. So no action was taken and the legislation remains a cruel farce. It is the old shell game of now you see it and now you don't.

When the McIntyre sales yard collapsed, forcing the collapse of an assembly yard in my riding, the minister moved quickly to implement the act. He did not wait for a consensus to develop. He did not hold a referendum. He simply brought in the act and made it active, but not until one of my constituents lost \$60,000. My colleague the member for Essex North (Mr. Ruston) had a producer constituent who lost \$160,000.

In my constituency there is a long-time beef farmer who is at present in the process of phasing himself out of farming and turning his interest over to his son. Imagine the terrible setback to this operation. Most of that \$60,000 is capital, but even if \$50,000 was capital and not subject to tax, one can calculate that the loss has imposed an annual cost to that business of

\$8,000, in interest cost at the most favourable rates today. It may well prove more than a young farmer can bear, in addition to the burdens he will assume in transferring the farm assets from one generation to the next.

9 p.m.

At least we now have an insurance fund, but we find that licences were issued to livestock buyers on a conditional basis. Producers are protected, except for those who sold cattle and accepted postdated cheques for them. In my view, accepting postdated cheques implies that the seller is taking some risk, but I know of no moral or legal constraint to the practice. This practice can help business people pass over a particularly tight money situation. Perhaps they have experienced some extraordinary expenses of a nonrecurring type and need some short-term bridge financing. In fact, the very issuing of the licence gave some assurance to the seller in the case that the company was on good grounds.

Farmers were not told the licences were conditional. I believe, unless there is something illegal or immoral about accepting postdated cheques, the government should make a decision that the title changed and the sale was made when the invoice was made out and not when the cheque was dated. I realize there are some pretty deep legal questions involved, but I do not think this should be a legal question. I think it is a political question that was long ignored by this government. Its actions in some way contributed to the events that happened. I think it has a moral obligation to assist producers who were caught in that particular trap.

I have brought these matters to the attention of the House as examples of showcase legislation, legislation that looks like it is doing something when, in fact, it is doing something for only one segment of the economy.

Mr. McKessock: Like Bill 179.

Mr. McGuigan: Like Bill 179. We must remember what we are talking about.

The doctors are a case in point. Today we are dealing with a new generation of doctors, people who have either forgotten or did not operate in the days when doctors collected only a portion of their fees. About three years ago I attended the funeral of a doctor in my riding who had served as both a doctor and as a warden of the county. I am speaking of Dr. McPherson from Muirkirk. He was close to 90 years of age when he was stricken with a spinal illness while making his rounds at the Four Counties Hospi-

tal. That part of the county is full of stories about this man. He worked for days without sleep through the flu epidemic in 1919. There were stories told at his funeral about his coming back from his county rounds with his buggy loaded with farm produce in return for his services.

Young doctors do not relate to such stories. They pick up their guaranteed payments from OHIP and hunger for more. I suspect a deal has already been made by this government with the doctors. I say that because this government does not act precipitously. Every move has been well worked out in advance. Of course, they will have to go through a ritual shadow-boxing match with the doctors, but in the end they will reluctantly adjust their 1983 increase to only six or seven per cent.

This past summer I was assailed on every hand by Tories in my riding about the jet. I wish I had been able to put it on the public record, but what I told them was that the jet would never see the light of Ontario skies. I told the people that perhaps two people or two events rubbing against one another would create friction and heat and the hangar would burn down. I was half right. There was not a fire but they became fire engines.

Mr. Watson: Tell them about the airport.

Mr. McGuigan: That is a horror story, the airport in Chatham.

Why does the government not announce that because of the times, which speaker after speaker across the House has acknowledged are not normal, things must be done to take care of this situation? Sadly, I believe they are not normal; but if they are not normal for public sector employees they are not normal for doctors.

Some of the arguments in this debate find little sympathy with me. Productivity is one of the sacred cows that must be put in its proper place. Of course we must be as productive as our competitors. In some areas we are and in some we may have fallen behind. Recently I visited a manufacturing plant in my riding where they showed me a row of machines, perhaps double the length of this chamber. I suppose there were six or seven separate machines there. The work piece was passed from machine to machine and from worker to worker and each operation brought that piece closer to completion. Then they demonstrated a single machine that did all of the operations and with greater accuracy than the hand-controlled machines. The machine had a console like a calculating machine and the operator pressed the button

and the machine carried out all of the operations going from one operation to another.

Mr. Haggerty: Made in Japan too. There is no research and development here at all.

Mr. McGuigan: Yes, it was. They made the brake assembly for trucks, the casting; the big casting that is the anchor for all of those brake assembly parts. The worker was not a particularly highly trained person. He was, as I recall, educated to a grade 10 level and had only to punch in a prearranged program.

I am not a member of the Luddite society, but I do recognize that by constantly squeezing people out of jobs through the production productivity demand, we are sentencing people to the economic scrap heap. Do we tax those who are working sufficiently to pay the others not to work; or do we borrow enough so that these demands create a demand on the money market where money needed for investment is not available at reasonable interest rates?

From my experience in marketing farm products in the days before we had marketing boards, I often ask myself and others what price does the buyer really want. He wants it low, but how low? If it costs me \$1 a unit to produce and I am selling it for 75 cents, is that not low enough? The answer was always clear. They wanted it at a price lower than the price offered to their competitors.

A farmer could take a load of produce to a buyer and be received by the announcement: "We are having a special sale this week and the price agreed upon over the phone has now been changed to 10 cents lower a unit." But the seller maintained his markup on the product. The sale was done at my expense. I think some of these people who are calling for constant greater productivity want to have an object cheaper than anybody else in the world and let it sell by price alone. They are not willing to put their merchandising efforts into it nor are they willing to take a lower profit themselves. They want the producer, whether he is an agricultural producer or a labour producer, to carry the burden.

By extension, as the price went to zero to all buyers, then a buyer would go on to a negative price. The product costs a certain sum of money. There must be some limit unless we are gradually going to eliminate an ever-increasing portion of our people from the labour market.

9:10 p.m.

In years gone by the agriculture industry was a safety valve for employment. People could always turn to agricultural jobs in southwestern

Ontario. For the first time in many years I see good people looking for fall harvest jobs. They were not very noticeable during the summer months, but the fact remains that they are looking for work now. This is the first time in probably 15 or 20 years that we have seen any of these people, and for the most part the jobs are not there.

The tomato industry has mechanized so that today about half the tomatoes are harvested by machines, machines that cost up to \$150,000 for a complete electric eye sorting machine. The contention is that within five years the harvest will be almost totally mechanized. In 1980 Kent county farms produced a little over 8,000 acres of tomatoes with a value of \$14 million.

The sour or tart cherry harvest is totally machine-harvested. The wine and grape industry is almost totally machine-harvested. This government, in an effort to recapture the frozen strawberry market, is investing money to put the finishing touches on a strawberry harvester. There are good economic arguments for doing so because we import about \$10 million worth of frozen strawberries each year, mostly from Mexico and Poland and in order to compete with that we have to have lower harvesting costs. What I am pointing out to the members is that the jobs are not there.

The other safety net has always been the housing market. We all know it is cheaper to buy than it is to build in today's market.

To go back to tomatoes, I would point out that there are opportunities to grow more. In my tour of plants I visited a plant producing tomato products. Sitting on a spur line on the railroad track were several carloads of paste tomatoes. I suppose they had probably come from California or Mexico. The product is sterilized in these tank cars and can actually sit there for weeks or even years without spoiling, although the flavour would go. When the local run is over, this plant will continue with the paste. If they were to make all of their products from Canadian tomatoes, they would have to double or perhaps triple the size of their plant in order to take tomatoes in our very short harvest season, which is only about six weeks, and therefore it would double their overhead costs.

The Board of Industrial Leadership and Development has given money to another plant in order to replace imports. I hope the effort is successful, but to be successful our costs would have to be competitive with the costs of imports. We have not been competitive in the past, and if we are to recapture our own markets, let alone

export markets, our rate of inflation, which currently exceeds that of most of our competitors, must be slowed. I would remind the members that the six and five or nine and five programs are only designed to slow inflation; they are not designed to stop inflation.

It is interesting to note that over the last 25 to 30 years federal governments in Canada, US governments and now the provinces that have tried to wrestle inflation to the ground have set their target at half the rate. Whatever rate is in effect at the time, the target is half. If inflation is eight per cent, the target is four; if inflation is 12 per cent, the target is six or five.

I would not support this bill if I considered it an assault on the right of either public or private employees to organize themselves in unions. It is a temporary freeze for one year.

Mr. Cassidy: One to three years. Read the bill.

Mr. McGuigan: The operative time is really, in the main, one year.

I know why they find it necessary to organize and at times strike to get their fair share of the economic rewards. In my business I buy a great many items—paper, corrugated paper for packaging purposes. It does not matter what supplier or location I ask for a bid. If the specifications are the same, that is the exact size of carton and the exact type of material in the carton, the price comes back the same.

There was a time when companies were in a lot of competition with one another, trying to redesign the cartons to shave a little bit of material off here and a little off there to the point where it became very ridiculous because the buyer of the commodity never knew what kind of package he was getting. I was the chairman of a group in the 1960s that brought all the various packing companies together. They agreed on standard-sized packages, and from that point on there was no difference in the price.

If we look over agricultural chemicals and take a whole list of 200 to 300, we might find three or four items where the price per case might be \$70.10 in one company and \$70 in the others, just enough so that they could not be brought in by the anticompanies people.

Let us take trucks. I have bought several trucks in my day and I have got to the point where it is hardly worth my time to compare specifications. If one lays out a body length on an axle weight, front and rear, and specifies the type of transmission, cab, motor and so on, he will find that among the Big Three the price will

vary no more than \$100—and I am speaking of a \$10,000 truck. I have not bought one for a few years myself. My son bought the last one. A truck today would be \$20,000, and perhaps by extension one might find \$200 between the prices of those two trucks. I really cannot believe that those companies all have exactly the same operating expenses. Workers realize this and they realize that things are stacked against them so they have had to organize themselves. Farmers have had to organize themselves into marketing boards.

I do not support Reaganomics. I was asked this question during an all-candidates meeting sponsored by the Ontario Federation of Agriculture. I refused to answer on the basis that it was a hypothetical question. They asked me what I would do in the event that the government brought in that sort of program. I said I would answer one thing: if Reaganomics meant a drastic reduction in the food stamp program, which was one of the first announcements—food stamps provide the one good meal that many school children in the US receive, and perhaps the time was coming when school children in Ontario and in Canada would need food stamps—if that was an example of Reaganomics, I would not support it.

It is kind of interesting to note that the member for Chatham-Kent (Mr. Watson) was at that meeting. Just last week we were at a similar meeting, and the gentleman who had posed that question was asking for support for the beef industry. It depends on whose ox is being gored, does it not?

I support the program for one year simply on the basis that it will, if successful, help to spread the burden of trying to survive in the face of the assault that is being made by President Reagan and his advisers on the people, not only of Canada but of all the free world, in saying we have to run our economy the way they do.

Mr. Grande: So you are supporting Reaganomics in Ontario because of the assault by Reagan on our economy.

Mr. McGuigan: A one-year freeze is not Reaganomics, my friend.

Mr. Ruston: He would not know the difference.

Mr. McGuigan: We have a different view in Canada, and I suppose it started with the building of the railroads. We tied Canada together with the building of the railroads, and the railroads are owned largely by the people. If members have ever ridden on a US railroad, and I have, I can tell them that on some of them the

only time one knows the train has jumped the tracks is when the train starts to run smoothly. They have the worst transportation system in the world.

9:20 p.m.

If one drives through Florida on Highway 75, and I suppose none of us will from this point on, one has to take along a back brace because that road is in horrible condition. I hate to give so much credit to the government about Highway 401, but it is like a road to heaven compared to Highway 75 in the USA.

If we look at our airlines, our airlines in Canada actually make a profit, or at least they did until last year. The airlines in the United States are going bankrupt. We have a different view of government and of how we treat one another. I believe the time has come when we must divest ourselves of our individual wants and bow to the wants of the country.

We had a quotation this afternoon from Thoreau, a great liberal economist. According to Thoreau, inflation can be reduced in a number of ways: through mandatory price and wage controls, a major recession, tight money policies, a balanced budget and voluntary control, or a combination of all or some of these policies. The issue is not what solutions, because all of them will work; the issue is what is the political price one must pay, who shall bear that price and will it be acceptable to the people.

It is not difficult to find solutions to inflation, unemployment or high interest rates; it is finding solutions that are politically acceptable that is the challenge. A balanced budget can easily be obtained by dramatically increasing taxes. Major recessions can be provoked simply by driving up interest rates at various levels. Mandatory price and wage controls will bring down inflation. Each and every one of these decisions creates political problems. Can we expect Canadians to accept tacitly a major recession with all the obvious social consequences? Can we withstand a policy of interest rates over 25 per cent, for instance, with all the obvious impacts on the economy?

I have one more paragraph before I pass it over to another speaker. In short, it is politics that sets the limits for economics. What, then, must be the guidelines in determining the proper policies? Should we sacrifice labour-intensive sectors for high technology? The previous speaker spoke about that. If so, what is our moral obligation to the innocent victims we are supposed to be saving? Shall we turn our back on the farm community and eliminate marketing

boards in order to bring down the price of food? Our policies, as Thoreau reminds us, should spread burdens and sacrifices as widely as possible rather than imposing them indiscriminately on weak and defenseless groups.

The public service union, I submit, is not the weakest and most defenseless group of people we have in Ontario today. The weak and defenseless people are the ones who are out of jobs, the unorganized, the people on welfare. These are the people. I believe that with a little bit of goodwill and civility we can spread these burdens and we can come out of this. We can defy Reaganomics. I certainly believe that some of the measures proposed by the member for Riverdale (Mr. Renwick) are also part of that picture.

We must convince this government that it has to have a total picture. Our party will add some amendments to this bill to try to make it as fair as we possibly can. Thank you, Mr. Speaker.

Mr. Di Santo: Mr. Speaker, I rise in opposition to this bill, not only because my party is opposing the bill, but because I have been listening very carefully to the speakers of both the Liberal Party and the government party. I must admit I have tried to understand if there was something that was escaping me that I could not understand, but I have not heard one single convincing argument to this point.

The last brilliant example was the Minister of Education (Miss Stephenson). She repeated all the clichés and all the stereotypes the Treasurer (Mr. F. S. Miller) repeats day after day in this Legislature. She wants us to believe that by lowering the funds for education we are going to get better education. The same argument was used centuries ago when the aristocracy said the people did not need education because if they were not educated they were better citizens. It is the same reactionary argument repeated in a different way.

The Minister of Education said there is widespread acceptance of this program in Ontario. It is true—she read the *Toronto Star*, the same newspaper I read last Sunday—that the newspaper says an overwhelming majority of Metro residents are willing to limit their wage increases to six per cent, according to a new *Star* poll release. It goes on to say how many people and what percentage of people are overwhelmingly in support of the program. My colleague the member for Windsor-Riverside (Mr. Cooke) reminds me the minister forgot to mention at all in her speech the doctors, her colleagues. She knows them very well since she was president of

the Ontario Medical Association. She knows how many sacrifices the doctors are making and how constrained they are and how many hours they work and how they should be exempted from any restraint. We know that.

The Minister of Education did not read today's Star because if she had she would have read what the Star says about the workers at SKF. Not too many workers, but some workers come also from her riding. The heading is "Workers Left Desperate by Plant Closing: Study." What does the article say? "The plight of ex-workers of a Scarborough ball-bearing plant who lost their jobs 10 months ago 'is becoming more desperate,' a new study says. Only 119 of the 350 workers of SKF Canada Ltd. who lost their jobs when the plant closed have found new jobs, the study by Atkinson College professor J. Paul Grayson says."

If the minister stopped repeating the clichés the government of which she is part repeats day after day, as its members try to convince themselves and the public of Ontario why we have this situation, perhaps she would understand that the program being inflicted on the civil service of Ontario is totally wrong.

I am going to try to debate at quite some length why I think this program is wrong, why it does not respond to the needs of the people of Ontario at this time, why it is deleterious for the social relationships among groups in our society and why the route the government has taken is devastating to our society.

The proposed program is destructive and will not bring the consensus the Tories and the Liberals, the last speakers, are talking about. On the contrary, it will bring a conflict in our society, because it is intended to punish one sector without touching the privileges of other sectors, without touching the economic problems that are the results of the wrong policies of both the federal government and the provincial government in Ontario.

9:30 p.m.

I will try to demonstrate not only that this bill is the wrong way to attack inflation but also that it is wrong because it does not touch the basic problems of our economy. It will not solve the problem of inflation to begin with, because it is quite irrelevant. The Treasurer himself admitted that even if it works, the Treasury will save \$420 million, a minimal percentage of the provincial budget and an even lower percentage of the gross provincial product. But even if it works, it will not do anything about solving the real problems we are faced with.

The real problem is not the fact that we will lower the public debt by one per cent. The real problem is that in August 1982 we had 489,000 people out of work as opposed to 256,000 one year earlier. More than 220,000 jobs were lost in one year.

This government may win this battle, because the civil service is in a weak position; its members are totally under the control of this government, and with a majority government, of course, they are an easy target. The government may win this battle, but it will not win the serious battle, the battle of rebuilding the economy in Ontario. They are not equipped to do the job, because they do not understand the complexity of the problem.

Imagine all the people on the Tory benches, with their foreheads so vainly broad, thinking in economic terms. They can only repeat clichés. If they had to use their brains and think, I think there would be a general collapse over there. Everybody would collapse, because the effort would be so incredible for them that they would not survive.

I believe the government is convinced that since there is support in public opinion, since the perception of the public is that there must be some control and since we can control these people, who are quite a limited group in our society, then the government can get away with it, as it has in the past. But the government does not realize that we are going through economic times that are quite different from those in the past. We are not faced with a cyclical crisis, as we have been in the past, when we had a short recession followed by an upswing in the economy and everything fell into place, jobs were created again and the government kept being re-elected. We have very serious problems in the structure of the economy of Ontario.

In the New Democratic Party we have been pointing time and again to the structural problems in our economy. We have made a very serious analysis of the deficiencies of the manufacturing sector in Ontario. We have been pointing out to the public that Ontario, which was the manufacturing and economic hub of Canada, is receding slowly but consistently. For the past three or four years Ontario has had the lowest economic growth of any province in Canada. The government does not understand that. I do not think it will ever be able to understand that.

Before going into an analysis of the economic situation and trying to illustrate what our point of view is on the problem of inflation and before

providing our alternative to the prescription of the provincial government, I must say that one is quite confused by reading the bill. The explanatory note of the bill says in part: "The bill also provides that, by regulation, coverage may be extended to include employees of other public sector organizations or other compensation plans in the public sector."

From reading the bill, I do not know what the other compensation plans in the public sector will be. I could not figure out whether the government had in mind compensation plans in the public sector as being the Workmen's Compensation Board, for instance.

I have been quite upset in the past few weeks by the attitude of the Minister of Labour (Mr. Ramsay), who keeps rising in this House and crying like a crocodile, saying he is opposed to controls on principle but, given that we are going through extremely difficult times, we should have these unique and controversial controls.

During the past two weeks, I have been urging the Minister of Labour to make a commitment to this House, to the people of Ontario and to the injured workers of Ontario to review their benefits. As members know, the last time this government—and I must point out that it was a minority government—introduced amendments to the Workmen's Compensation Act was in July 1981; since then there has been nothing.

We have been fighting, trying to convince the government that the Workmen's Compensation Act, which was instituted in 1913, does not respond any longer to the needs of today's Ontario, because in 1913 Ontario was mostly an agricultural province while today we are dealing with very complex industrial problems. We are dealing with occupational problems that were nonexistent 79 years ago.

Initially, I personally made a very serious effort to try to understand the Minister of Labour, because he was new to the job. Even though he comes from an industrial city, Sault Ste. Marie, I thought that he was involved in other businesses and perhaps did not understand the plight of the injured workers and the problems they are experiencing because of the insensitivity of this government.

We gave him time. We kept reminding him that his predecessor as Minister of Labour, now the Minister of Consumer and Commercial Relations (Mr. Elgie), had made a commitment to this House in a public statement, that he would appoint Professor Weiler to make a study and that, after the study, by July 1981 he would

introduce a bill to reform the Workmen's Compensation Board. That never materialized. We had the white paper with the draft legislation attached. Time went by, but no reform was introduced. So we asked the minister what he was going to do. We had a commitment on the public record of this House, but the minister was only able to say that a committee would be set up and would report to the House and that the government would eventually make up its mind.

9:40 p.m.

This is a wonderful institution that governments have found everywhere in the world. Whenever they are faced with serious problems they appoint a commission or a committee. The Minister of Labour appointed a committee of the Legislature to study the Weiler report, the white paper and the draft legislation. The federal government made an announcement that it was going to give mortgage relief to home owners. What did it do? It appointed a committee. When the committee reported yesterday—it is in today's newspaper—the government said it needed more time to make a further study. In the meantime, the home owners wait and the injured workers wait.

Even though we were sceptical of the process, my colleague the member for Nickel Belt (Mr. Laughren) and I said: "Okay, we will participate in the work of the committee. We want to have this committee make a report." In fact, we moved a motion in the committee asking that the committee made an interim report suggesting to this Legislature that the Workmen's Compensation Act should be amended and the benefits increased. What happened was that our request was ruled out of order. Can the members believe it?

After one year and three months this group in our society, the injured workers, is the only group that have not received an increase. Even pensioners who are receiving the Canada pension plan, old age security or disability pensions, along with the members of the Legislature, the public employees and any other group in our society have received increases—although they are trying to chop the increases of the public servants now. Everybody, except the injured workers, has received increases.

The Minister of Labour one day will have to justify why the injured workers must be the only group in our society to be excluded. If he can bring in another example, then I promise I will not stand up any more in this Legislature. But he told us, as recently as last week, "Revisions of

the Workmen's Compensation Act have taken place once in a while."

For the minister, that is a justification for ignoring the fact that inflation last year was almost 12 per cent; this year it is as high as 11 per cent, although now it is a little bit lower. There should be some compensating mechanism.

I always remember when the present Minister of Education (Miss Stephenson) was Minister of Labour, she used to say, "We will introduce amendments in the fullness of time." I was a new member in this Legislature and I was fascinated because the fullness of time looked to me like a new Jerusalem. I said, "When the fullness of time comes, then the problems of injured workers will all be solved." Then, after a long time, they came with a five per cent increase. Five per cent of \$60 is \$3, by the way.

The member for Nickel Belt and I participated in the committee, and we were faced with the blind opposition of the Tory members.

Mr. Wildman: Were they willing to exempt them from this legislation?

Mr. Di Santo: That is the point I am trying to raise, because I do not quite understand. When the bill talks of other compensation plans in the public sector, does the government have in mind the Workmen's Compensation Board? If so, then I would be not only shocked but also ashamed of belonging to this Legislature, because I do not think there is any moral justification for that.

In the committee's last two weeks there were five sittings, and we had delegation after delegation of injured workers come to us and vividly describe their plight. On a personal level even the Tory members must have been moved to see disabled people, some with missing limbs, some who were blind, talking to us about their problems; they must have been moved to see widows who are getting \$496 a month and living in poverty and who are effectively deprived both in their economic and emotional lives. The Tories must have been touched by those cases of human beings who are suffering because of a system that is cruel and faceless.

The government has delegated its moral responsibility to a bureaucracy at 2 Bloor Street East which manipulates the more than 400,000 workers who are injured every year in Ontario because of lax legislation, because of the lack of safety and preventive measures and because of a system that does not rehabilitate the workers. It is a system that is based totally on what is very dear to the hearts of the Tories, the preservation

of the private sector and the profitability of companies.

The government is wrong if it has in mind singling out civil servants and employees of municipalities, school boards, hospitals, public and parapublic organizations as well as injured workers, because I promise that we will be speaking forever on this. They will have to pass this legislation over our dead bodies.

In the usual sanctimonious and hypocritical statement made by the Premier, he said that even though this bill is not fair in the sense that it singles out one group in our society, nevertheless it is necessary because it is needed to create conditions that will help to revive our economy or, as the Minister of Education said, it is an opportunity for Ontario.

9:50 p.m.

I do not understand what opportunity. She did not elaborate and I do not think she could. If this is an opportunity to redress some wrongs, then the government should think about the wrong that is being perpetrated because of its legislation.

I am not at all sure—in fact, I am sceptical—that the Minister of Labour (Mr. Ramsay) will ever have the moral courage to stand up and say: "Yes, this is a situation that must be rectified. I will take the moral responsibility. I will go to the cabinet and tell them it is unfair that a widow gets \$496 a month. It is unfair that the minimum for a person who is totally disabled in Ontario today is \$650 a month."

If the minister had the moral courage to do that, perhaps the government could stand in this chamber and before the people of Ontario and ask that we pass this legislation. Perhaps then people would think there is a sense of justice in Ontario after all.

But we are faced with the totally negative attitude of the government; there are no openings at all. The last time I questioned the minister, he said he would see, in the new year when the report is back. I want to bring to his attention that since his boss the Premier decided to introduce this legislation, the committee has been disbanded. It is therefore no longer in a position to report.

What is the minister going to do? He is indicating that he wants to respond.

The Deputy Speaker: With all due respect, the member for Downsview, as he knows, has the floor of the House. We are not in question period. I know the minister would like to

respond and he will be able to do so in the fullness of time, I am sure.

Mr. Di Santo: The minister probably has a point of information.

Hon. Mr. Ramsay: On a point of privilege, Mr. Speaker—

The Deputy Speaker: What is your point of privilege?

Hon. Mr. Ramsay: I have every intention that the committee finish its sessions and report as soon as possible. I spoke of that just this morning with the government House leader. I very much want it to finish its report as soon as possible.

Mr. Di Santo: I can only say that 70,000 disabled workers on permanent partial disability are waiting for the day when this government will introduce even a partial reform, even an increase of the benefits.

I want to say this to the minister and perhaps it will be useful for him to listen. I know he had some figures that were cooked by some inexperienced staff person in his ministry. The minister must know, if he read Weiler's figures, that from 1975 to 1980 the injured workers lost 27 per cent of the purchasing power of their pensions, and if he looks at the consumer price index, the average industrial wage index and the workmen's compensation pension index he will see there is a very wide gap.

The figures he mentions were given to him by somebody in his ministry who should be fired, because he is incompetent. I ask the minister why he gave any credibility to Professor Weiler and why he paid Professor Weiler such a huge amount of money to present a report that his own staff contests? Either Professor Weiler provided the ministry with figures that are credible or the minister's staff is wrong. In Latin, they say *tertium non datur*.

Interjections.

Mr. Di Santo: If the minister is convinced that the gap exists because the consumer price index in the last seven years went up by 78.3 per cent—and it is not difficult to consult Statistics Canada, Mr. Speaker—and the average industrial wage went up by 75.8 per cent, and the pension went up 55 per cent—not 88 per cent as the minister said, with all due respect—we are not economists, we are not specialists in high calculations, but we can do addition. If we add 10 per cent, plus 10 per cent, plus 11 per cent, plus nine per cent, plus six per cent, we get 55.

I am sure the minister will clarify to the House that Workmen's Compensation Board compen-

sation is not a compensation plan as outlined in the bill that should be covered under the restraint program. I hope when he speaks, if he speaks, he will say that publicly because there are some apprehensions.

He must know that not everybody understands the jargon of the legislation we debate. I think he should take upon himself the task of clarifying that the workmen's compensation plan is not one of the plans that will be under this bill. If he does, he will do a service to many people who are very vulnerable in our society and who were forced because of an accident to be idle, to leave, as it is called with bad words, the labour market, and who have no way of reacting, because they cannot work, they cannot find another job and they are disabled. I think the minister should do that.

10 p.m.

I was starting to explain why I am against this bill. In the newspapers in the last few weeks there seems to have been a fixation on the part of all the reactionary right-wing free enterprisers with whatever is public. The government of Ontario, as usual, is jumping on the bandwagon—

Mr. Roy: Odoardo for leader.

Mr. Di Santo: I thank the member for Ottawa East, particularly because I was one of his supporters when he ran for the Liberals. Minorities support minorities.

Interjections.

Mr. Di Santo: It is intriguing, because on a personal level I sympathize with the members of the Liberal caucus, even though I understand their difficulty and their predicament vis-à-vis this bill. I know they are squeezed between the federal government and the provincial government.

They listened very carefully to the member for Kent-Elgin (Mr. McGuigan). He said this nine and six program—which will not last one year, by the way; it will last up to three years—is a first step, but we should have a broader picture. I do not understand what a broader picture for the Liberals is.

The fact is that this bill is the result of a philosophical approach that is right wing and reactionary. In a nutshell, it is a philosophical approach that is intended to isolate one sector of our society, wage earners, and punish them because it is part of a scheme of redistribution of income that will affect only one sector, the public servants, and will leave other incomes totally untouched—not only incomes of individuals but also profits and incomes of companies.

I want to tell the member for Kent-Elgin that he is choosing one sector, forgetting that his friends the farmers will suffer as a result, because that government and his friends in Ottawa are unable to tackle the problems that the farmers are suffering now. He knows very well that the problem for the farmers—

Mr. McGuigan: Tell us about the farmers in the Socialist countries. Tell us about the farmers in Poland.

Mr. Di Santo: In Poland?

Mr. Philip: Maybe you can tell us which kind of administration you are in favour of. You are a kind of 50 per cent Bolshevik, you want to go half way.

Mr. Di Santo: Mr. Speaker, I was trying to analyse in an intelligent way the speech of the member for Kent-Elgin, but after his interjection I must withdraw what I said and I must say to him that it was pure nonsense.

I want him to go back to the farmers in his riding and explain to them why they are losing their farms. Is it because the civil servants are getting nine per cent instead of six per cent, or is it because the farmers are paying interest rates that they cannot afford?

If he does not understand that, if the Liberal caucus does not understand that, then either they are acting in bad faith or they are totally incapable of understanding reality.

Mr. Roy: Mr. Speaker, on a point of order: I want to say to my good and dear friend the member for Downsview that I have great respect for his words of wisdom. But when he attacks my colleague the member for Kent-Elgin, especially in the area of the farming community and the defence of the farmers, I say to my dear and good friend the member for Downsview that he is dead wrong.

If someone knows the community and has the pulse of that community it is the member for Kent-Elgin. The member should respect his views.

Mr. Speaker: Order, order.

Mr. Roy: Wasn't that a point of order?

Mr. Speaker: Not really, no. I would have to ask the member for Downsview to address his remarks to me, not to the Liberal caucus or other caucus.

Mr. Di Santo: Thank you, Mr. Speaker, and I would like to thank you for your wise words of advice. From now on I will address myself to your chair.

Interjections.

Mr. Di Santo: I will say that the approach of the Liberals and the Tories is the same. It comes from the same philosophy. They think that by perpetuating some—

Mr. Epp: How can you say that? We haven't been in power for 20 years.

Mr. Wildman: You have in Ottawa.

Mr. Speaker: Order. Everybody wants to make a speech. I have recognized only the member for Downsview. He will continue.

Mr. Di Santo: Thank you, Mr. Speaker. I do not have a written speech and it is from the heart. It is very difficult to respond to a very concerted effort of a platoon of economists of the Treasury. But I want to express my genuine concerns, which are the concerns of a common person with common sense, which expresses the concerns of the people I represent, people who are unemployed at the present time.

10:10 p.m.

I was canvassing last weekend and met people who have been out of work for 11 months, people who worked in the construction industry and who have not worked a single day in 1982, people who work at Camco Inc. and who, because of the policies of the Conservatives and the Liberals, will be losing their jobs in stages. The bill that the Conservatives passed is flawed in such a way that this company will be able to fire 49 people every three months without any of them receiving a single penny in severance pay, and some of them have worked there for 20 or 30 years. The assistant of my colleague the member for Dovercourt (Mr. Lupusella) has been there for 29 years and is in his late 50s. He will be unemployed as a result of the policies of the Conservative Party and the Liberal Party.

Ironically, the federal Minister for Indian Affairs and Northern Development is providing an incentive grant to Camco to move from Weston to Hamilton, although the jobs will be phased out in two or three years because Camco will become part of a multinational company which will be rationalized, that is, absorbed in the production of the multinational company, and Canadian production will disappear.

When we talk about Bill 179, we are talking of the problems of the real people of Ontario. This problem, as I said earlier, is the result of a philosophical position shared by the Liberals and the Tories. The member for Waterloo North (Mr. Epp) said, "We have not been in power for 40 years," but if he reads the newspapers he will know that as recently as three days ago his friend in Ottawa, Mr. Trudeau, com-

pleted the second stage of his cabinet shuffle. In order to please the business community, it was a shift towards the right.

In a recent interview by the New York Times he referred to President Reagan as a great man. Members will remember that last year at Montebello he yelled to the reporter who was asking a question of the president, "Ask Haig." In other words, he meant that the president could not answer for himself. But now Reagan is a great man, comparable to Eisenhower or Churchill.

The motive for Trudeau's about-face is that he wants to have peace with his neighbour. So Canada will no longer take a nationalist stand, which means that Trudeau is taking exactly the same position as Clark. We are continentalists—mild continentalist, not really continentalist. That means that built into the Liberal and the Tory philosophy is a complex of colonialism that can be camouflaged but which emerges when we come to the crunch time and time again. In fact, in the speech from the throne in March, the Premier announced that our main objective should be streamlining the Foreign Investment Review Agency and that is what Clark is proposing and that is what the new minister will do.

Mr. Wildman: Isn't that what Walker said?

Mr. Philip: He did not say streamline the limousine; he said streamline FIRA.

Mr. Di Santo: I do not expect he would suggest his limousine be streamlined. It was far from my mind. I have nothing against his limousine, especially because of the grey colour that reflects very well the person who rides in it.

In the throne speech the Premier of Ontario said that one of the objectives from the economic policy of Ontario should be streamlining FIRA. What is Trudeau doing now? He is replacing a nationalist minister with Mr. Lumley, a good friend of my friend the member for Cornwall (Mr. Samis).

What is the reason for that? It is because he is a good friend of business and he will use FIRA with discretion. What does that mean? It means that both the Tories and the Liberals pretend they are two different political animals—and they succeed in good times. When there is a boom the Liberals are more open to certain social needs, while the Tories in their genuine and theological certainty of being the repository of the truth always maintain that the government should not interfere with the lives of the citizens, that the government should not inter-

fere with business, that regulation should be scrapped even though they introduced Bill 179.

When we come to the crunch, then we will see that they take exactly the same position, the position in FIRA of capital, the position against the working people. If we look at Bill 179, it is an extreme exemplification of this position. In Canada, when we are faced with a situation when we have an economic crisis and the government must choose whether to regulate labour or capital, the Liberals and the Tories always regulate labour but never capital. We have never heard the Premier of this province or the Prime Minister of Canada mentioning that perhaps there is another way we can control our exchange so that we can protect the dollar. We can have made in Canada interest rates. It is done in other countries.

Mr. Wildman: Ian Sinclair would not like that.

Mr. Di Santo: Ian Sinclair would not like that, of course. Why? It is much easier to control labour because labour in this country is pretty weak, even though the mythology goes that the big unions, the big labour bosses, are those who dominate the life of the country. Well, I can say, and I do not have any fear of saying it, that one of the reasons we have so many economic problems in Canada is that labour is very weak in Canada.

10:20 p.m.

The Treasurer (Mr. F. S. Miller), who incidentally would have been more at ease in his old job selling used cars than in dealing with economic problems, stands up and asks: "What about France? The Socialist president has imposed controls for four months." But if he had made any intellectual effort to try to understand what is going on in the world, he would understand that in West Germany as soon as the new Chancellor, Mr. Kohl, took power the first thing he said was "The main objective of this government is unemployment and how to fight unemployment." This is rightly a Conservative government but a government that is confronted with the reality in its society that the social forces are balanced.

In Canada we have an imbalance. We have a labour movement that cannot even protest against an authoritarian position like Bill 179. The only thing they can do is to come into the chamber and sit in the galleries in their tee-shirts with their insignia, and they are thrown out because they are carrying their political message. I think that is typical.

We have seen demonstrations of 250,000 people in West Germany and of 300,000 people in Paris. Democracy in West Germany and in France has not collapsed. It is vital, actually more vital than ever. If our government had any intellectual perspicacity, it would understand that if things are run differently in those countries, then there must be some reason. The people in those countries are not much more intelligent than we are; they do not have a higher intelligence quotient than we do. It must be the social forces that are at work in those nations that produce better governments and better policies.

The imbalance exists in our society. It is shown exactly by the reaction to this bill. It is unconscionable that the government comes along with a bill that singles out 500,000 people, the civil servants and the employees of the parapublic sector, and they cannot even react. Why? Because they are in a weak position. If they had any bargaining power at all, they would have put this government under such pressure it would not even have dared to single out their group in our society. The government, before introducing this bill, would have sat down and discussed and debated it.

Now we are in a situation where, if the Premier does not want to talk to the union leaders, he is seen as a hero by that public that is expecting that some control somehow will solve the problems of our economy and their problems. We know that is not true. We know we are going through a deep crisis and in saving \$420 million from the provincial budget we will not solve any problem at all. Unemployment will be high as it is now.

The manufacturing industry in our province, which is obsolete in many instances and which is suffering because it is part of a branch plant economy, will follow the events that are dictated elsewhere. Our mining industry will go with the upturn and downturn of the economy. This bill will not solve any one of those problems.

It will not solve the problem of the automobile industry and the thousands of people whose jobs are threatened because we entered into an auto pact that is working against the best interests of Canada. They work in an industry where the greed of the three big car manufacturers in the United States did not allow them to see the world was changing, as new approaches were emerging and new companies were producing better cars, and that an oil crisis was coming up that they were not able to face. This

bill will not do anything for the workers in the automobile industry.

This bill will not do anything for the workers in the textile industry, where I used to work before I was elected to this House, because it is an industry that is becoming obsolete. The Canadian businessmen who were owners of the companies in the textile sector for years have not been able to invest one single penny and have not been able to understand the changes that were going on in the emerging nations. Now they are faced with tough competition and they do not know what to do. They cry like babies asking the government to protect them.

That is the history of the great private sector that is glorified every day by the Treasurer. When they do not have tax incentives, when they do not have the protection of a very high tariff barrier, when they do not have all kinds of incentives, they do not know what to do and they cry for protection. Then they accuse us of being the party that wants a major involvement of the government in the economy.

Have members ever seen the small businessman, that incredible character Mr. Bulloch, who preaches against labour day and night, dreaming up the most awful things about the workers? Every time a budget is announced he asks for tax deferrals and tax incentives. When the interest rates rise, which is the force of the market that he should accept because it is free enterprise, he cries like a baby and wants the government to intervene and lower interest rates and give relief to the small businessman. That is fine. It is part of our program too. But it illustrates the contradictory position of certain sectors in our society which are happy now because the government has singled out somebody else, the public sector.

Mr. Speaker: I draw the honourable member's attention to the clock.

On motion by Mr. Di Santo, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, perhaps I could indicate to the House the order of business for the next few days. On Thursday afternoon and evening, October 7, and on Friday morning we will continue the debate on second reading of Bill 179.

The House will not be sitting on Monday, October 11, since Monday is Thanksgiving Day. On Tuesday next in the afternoon and evening we will continue the debate on second reading of Bill 179. In that regard, if I could have the

consent of the House, I would like to move a motion to dispense with private members' business this Thursday afternoon.

Agreed.

Hon. Mr. Wells moved that, notwithstanding standing order 64, private members' business will not be considered on Thursday, October 7.

Motion agreed to.

The House adjourned at 10:32 p.m.

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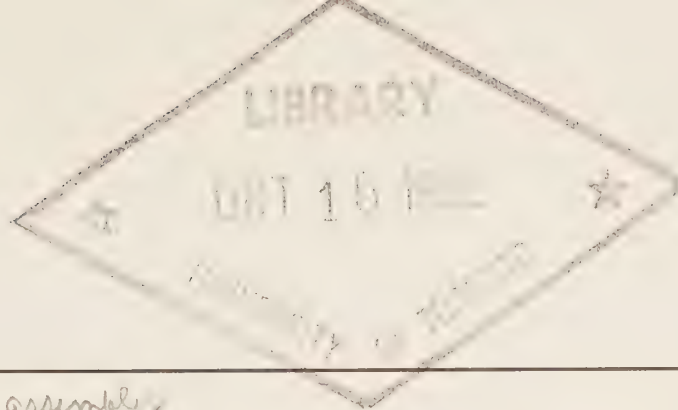
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Thursday, October 7, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 7, 1982

The House met at 2 p.m.

Prayers.

ATTENDANCE OF MINISTERS

The Deputy Speaker: Oral questions; the Leader of the Opposition.

Mr. Peterson: Of whom should I ask a question, Mr. Speaker? That is the first question.

Mr. Wrye: There are a few holes over there.

Hon. Mr. Grossman: Give us the question.

Mr. Peterson: Does anyone have a point of privilege, Mr. Speaker?

The Deputy Speaker: Points of privilege or points of order?

Mr. Peterson: I think the member for St. Catharines has a point of order.

Mr. Bradley: On a point of order, Mr. Speaker: At the beginning of question period, since the Leader of the Opposition (Mr. Peterson) has the first opportunity to ask questions, it is very important that we have cabinet ministers available to give the excellent answers they wish to provide.

We understand that ministers have other commitments and from time to time they have to leave, but when it comes to the legislation that is before the House and the issues of the day, it seems to me that at least the headliners should be available for the Leader of the Opposition to direct questions to and for any supplementaries that members of the third party or other members of the House might have.

Having said that, I notice there are still a number of cabinet ministers who have not made their way into the House. Perhaps you could clarify for me what jurisdiction the Speaker has in terms of encouraging ministers to be here. I know that you, sir, as an individual member representing an individual constituency, would want to ensure that the issues of the day are discussed on behalf of your constituents. I would welcome a reply.

Hon. Mr. Norton: Mr. Speaker, I would like to address that point of order. I think it is time the member opposite came clean with the House. There were at least 11 ministers in their

seats at the opening of the House today. If the research of the members opposite is so inadequate that they do not have any questions for those of us who are here, or if they are so intimidated by the competence of the ministers who are present in the House, why do they not admit it?

Mr. Renwick: On a point of order, Mr. Speaker—

The Deputy Speaker: Speaking to the point of order raised by the member for St. Catharines, I would like to bring to the attention of all members of the Legislature that, unfortunately, under standing orders, the Speaker has no—

Mr. R. F. Johnston: There's a point of order here, Mr. Speaker.

The Deputy Speaker: On a point of order, the member for Riverdale.

Mr. Renwick: Mr. Speaker, I want to speak to that point of order. I am very disappointed in the response of the Minister of the Environment (Mr. Norton) on the legitimacy of the question that was put. Will you consider recessing the House until the appropriate ministers or all the ministers, if they accept their responsibilities to this assembly, are present in the assembly to answer the questions of the members of the opposition? I suggest that it would be appropriate and in accordance with parliamentary tradition that you now recess the House for 15 minutes to give the ministers an opportunity to be present.

Hon. Mr. Wells: Mr. Speaker, we go through this little charade about once a month and we all know that—

Mr. Renwick: Mr. Speaker, on a point of order—

The Deputy Speaker: The government House leader has the—what is the point of order?

Mr. Renwick: My response is that I do not ask the government House leader to commence his remarks on a serious topic by talking about a charade. Will he take his seat, please?

The Deputy Speaker: Order; member for Riverdale, please.

Mr. Renwick: I have never been ejected from

this chamber before, and I do not intend to start now.

The Deputy Speaker: Order, please, member for Riverdale. I recognized you on a point of order. I would like now to recognize the government House leader.

Hon. Mr. Wells: Mr. Speaker, I will not change my remarks, because I maintain that I am not in any way treating this matter facetiously. It is a form of charade we go through once a month when someone gets up and criticizes the fact there are not enough cabinet ministers here to answer questions at any particular time.

My colleague pointed out there were at least 11 or 12 cabinet ministers here for the opening. There are 16 cabinet ministers here at present. My colleague the Minister of Transportation and Communications (Mr. Snow) held a very important press conference this morning which surely should have been substance enough for at least 10 or 15 minutes of questions.

I might say that if my friends feel there is something wrong with the way the question period is run in this House at present, I suggest that we all look at the British model. Perhaps it is time we considered giving notice before the House starts to the ministers to whom members wish to ask questions. If the members were willing to adopt some procedure such as that, which I submit in no way inhibits the democratic process in the British House, we would guarantee to have the ministers here for whom members say they have questions.

Mr. Renwick: Mr. Speaker, the government House leader has been here in the assembly longer than I have, and he knows very well that the decision of this assembly was to depart from the parliamentary tradition in the United Kingdom about giving notice of questions and to rely on the government of the day to respond appropriately by having all their ministers in place at two o'clock for prayers and for question period, recognizing as we do that we are very seldom graced in this chamber on any other occasion with ministers of the crown once it is three o'clock and the orders of the day are called. Perhaps the government House leader would be prepared to respond to that question.

2:10 p.m.

The Deputy Speaker: I think the member for Riverdale has had full opportunity to express his concerns. We have had ample discussion with regard to the problem at hand. I can only bring the members' attention to our present standing

orders. I have no choice but to continue with question period.

Mr. Cunningham: Mr. Speaker, on a point of privilege: In view of announcement of the Minister of Transportation and Communications of the interregional rapid transit strategy this morning, which involved, as he referred to it, lots of money, would the minister be in a position to make a statement to the House today outlining just what is involved in that so we do not take up the time of question period?

The Deputy Speaker: Unfortunately, the minister did not indicate he had an opening statement prior to oral questions. I am afraid the member will have to leave that for question period, which will begin now.

ORAL QUESTIONS

CLARK EQUIPMENT OF CANADA LTD.

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Industry and Trade. I am sure he is aware he has created a great deal of confusion in the London-St. Thomas area by some statements he allegedly made last night.

There is a headline in the London Free Press today saying: "Shakeup of Firm Adding 800 Jobs in St. Thomas." I will quote the article: "St. Thomas stands to gain 800 full-time jobs, thanks to a full-time major reorganization of the US-based Clark Equipment Co. 'That's a major shot in the arm for southern Ontario' and could generate up to 2,000 other jobs, said Walker."

After the story appeared, Mr. Charles Kiorpes, vice-president and general manager of Clark Equipment Co. in Michigan, held a press conference at the Howard Johnson motel in London, at which he denied the minister's announcement. In fact, he said: "Who is Gordon Walker?"

He said: "The reorganization will only bring the current 340 part-time employees up to full-time status and if, and only if possibly, economic conditions improve over a period of time, 160 currently laid-off employees might be brought back to work."

Perhaps the minister would like to take this occasion to straighten out this confusion he has spread about.

Hon. Mr. Walker: Mr. Speaker, there is no confusion at all. As a matter of fact, I was authorized to release the information. It would appear that Mr. Kiorpes—who on earth is Mr. Kiorpes? I guess he is the vice-president, but they seem to have a fair number of vice-presidents of that company.

Mr. Bradley: Like the provincial Tory party.

Hon. Mr. Walker: He may even be a candidate for us, for all I know.

Mr. T. P. Reid: No. He has not been appointed to anything.

Hon. Mr. Walker: We will remember that.

I met the two senior vice-presidents from Buchanan, Michigan, on Tuesday evening from five to six o'clock, as well as Mr. Gilbert, the president of Clark Equipment of Canada Ltd. They authorized me to release the information that had been the purpose of the discussion to date. The information was that a major consolidation of Clark Equipment Co. had resulted in the transfer of four major product lines to the St. Thomas plant.

Further, the transfer of production of the wheel dozers and large truck shovels to the St. Thomas plant could create up to 800 full-time jobs in the long run, both in the plant and for related contractors in the St. Thomas area. In addition, exports from the St. Thomas plant should more than double over the next five years to \$700 million, a balance of trade improvement for that company. Fourth, there is a total restructuring program, of which the St. Thomas part is part of a \$214-million program designed to make Clark world-competitive in several product lines.

I think the point that has to be brought out here very clearly is that this plant is showing a substantial growth. The member for Elgin (Mr. McNeil) has been discussing this matter with me for some time now and we were involved in the question. The question really was, what will happen in terms of world rationalization? World rationalization occurred yesterday. It is regrettable that four plants in the United States are closed in the process, but from the Canadian point of view and from St. Thomas's point of view, it turned out to be successful at least in the retention of jobs. Some 330 jobs will be retained in the plant at present and that number will rise to some 560 or so, according to the information provided by these officers, who I have every reason to believe. The information that I provided, which I believe is absolutely correct, was substantially what they provided. Indeed, what I was authorized to release was word for word what was provided by them.

The fact of the matter is, the Leader of the Opposition should be asking, "Why is it so successful?"

Mr. Peterson: It is very curious that the minister took the time of this House some months ago to announce nine jobs in Elmira,

albeit eight of them were for Japanese people, but he did not take the time of the House to announce this today. Perhaps it is because Mr. Gilbert, the president of Clark Equipment of Canada Ltd. in St. Thomas, said in a conversation today that the consolidation was taking place immediately and that he had no idea where the job numbers of 800 or 2,000 came from. He said, "How far we get into the 160 laid off will be totally dependent on the state of the economy—hopefully by mid-year, depending on the economy."

The minister is getting very bad advice, I suspect, and he may want to check his research.

The Deputy Speaker: The question is?

Mr. Peterson: Or is this just a cruel joke?

Hon. Mr. Walker: Is the Leader of the Opposition referring to his question, or is he referring to the fact that the information seems to be borne out that there will be a transfer of work from other communities into the St. Thomas plant and that they will be able to go as far as I have suggested?

I reported precisely what was given out and what was given to us in terms of the information. They may have difficulty in rationalizing some of it, possibly because two different officers were involved and different people were raising different questions.

The fact of the matter is that the company, which is foreign-controlled, has shown faith and confidence in the business acumen of Canada and of Ontario and has decided to expand that plant to the point where it will provide a substantial increase in employment.

The Leader of the Opposition should be looking at the positive aspect of this. Heaven knows, we have enough people going around talking about the negative aspect without having him do it as well.

Mr. Wildman: Mr. Speaker, since this minister was appointed and said his role was "jobs, jobs, jobs," we have had three announcements from him on jobs. First, there were nine jobs in Elmira. Second, there was a possibility of protecting some existing jobs. Now we have the minister predicting that there may be some jobs. When is this government going to get serious and have a real job creation program to deal with the serious unemployment problem in this province instead of the Pollyannaish statements from this minister?

Hon. Mr. Walker: Mr. Speaker, I do not think it behooves any of us to get into the job numbers game to show whether something should be

something else or not. However, if the honourable member is inviting me to make some comments about the number of jobs that have been created, I need only remind him that he could look to the Ontario Development Corp., which has approved \$105 million in loans and guarantees in the past while. Since the recession began, it has approved \$105 million—

Mr. Foulds: When was that?

Mr. Cooke: That's why there are 700,000 unemployed.

Hon. Mr. Walker: Hold on; pipe down. I let the member ask his question. I allowed him to speak without interruption. I ask him to please give me the same benefit.

The fact is that the ODC has created direct and very lasting jobs to the tune of 6,728 documented jobs and 17,195 over a period of five years. If the member wants to get into the job numbers, I can list him all the job numbers he wants to have. He need only take a look at the Board of Industrial Leadership and Development and he will see case after case of money being spent for job creation.

If he wishes to get into that, he is welcome to invite me into it. I do not think that is necessary; I do not think there is much value in him trying to attach all kinds of ridiculousness to the jobs created.

Mr. Peterson: The minister said he did not want to get into the numbers but he quoted the numbers. According to the London Free Press, the minister said the plant would go from its current figure of around 560 to in excess of 1,200 workers. "The number of jobs attracted to St. Thomas will be phenomenal," Walker said. He estimated the spinoff effect will generate 1,500 to 2,000 other jobs in the community."

Since Clark has not heard of these figures, where did the minister get them? The minister's credibility is on the line.

2:20 p.m.

Hon. Mr. Walker: The figures came from Clark and they are the ones given by Clark, and I will stand anywhere and defy the Leader of the Opposition to prove me wrong. The fact is that the figures have come from there.

It seems some officer who may not have been a part of it has taken exception to some of the numbers, but the fact of the matter is what I have delivered to the Leader of the Opposition. I have told him the truth of the matter. I have told him what has been delivered to me. If he wants to refute that, I think he is on dangerous ground.

These are the numbers provided. The company provided the figures. The numbers relate to those jobs in plant and those jobs contracted for outside the plant, and those jobs in total will equal the 1,200 figure. As the vice-president of the Michigan company conveyed it to me, it will mean roughly 600 jobs in the plant and roughly 1,200 jobs in total.

The other question relating to the spinoff jobs is a separate question, and that is simply the formula we apply when any one job is created; it tends to create an additional two to three jobs in the community. That is the traditional answer.

JOB CREATION

Mr. Peterson: Mr. Speaker, I just say to the minister that I wish he were right. Every bit of information we have is that he is completely wrong. I wish he were correct. It leads me to my next question, to the Treasurer, who is in charge of overall economic policy.

The Treasurer is aware of the current figures, which show that we have 474,000 unemployed at present, up 89.6 per cent from a year ago; and 202,000 unemployed young people, up 79 per cent from a year ago. Total employment at present is down 174,000; in other words, that many fewer people are working than there were a year ago.

The minister is probably aware of the Conference Board of Canada report discussed this morning at its conference. I gather the Premier (Mr. Davis) is speaking there some time over the next couple of days.

One of the predictions, and I gather it is the conference board's official prediction, is that unemployment in this country will reach 12.5 per cent in 1983, starting this winter—that is the best-case scenario—and it could well go to 15 or 17 per cent. The minister is aware of the grim predictions as well as the grim statistics we are facing. What is he going to do about it? Is he just going to continue to dither, or when is he going to come forward with his plans?

Hon. F. S. Miller: Mr. Speaker, unlike the Leader of the Opposition, I do not hope those things will happen. For some reason he seems very happy to see all these events take place, because somehow he feels he can put the blame on us and make us look incompetent. He is far too intelligent for that, and he knows it. He knows that we have been doing our part in Ontario and that we are going to continue to. I am delighted to say I will soon be seeing my federal colleagues, and I will soon be working with them on those plans.

Mr. Peterson: I have very serious difficulty with the minister sometimes blaming the feds and sometimes not blaming the feds, and sometimes electing to go alone and sometimes not. The minister said in his own budget of last year, and I quote, "Since the federal government has failed to respond with a decisive and comprehensive set of programs, the government of Ontario has decided to implement new job creation initiatives of its own."

Presumably, as a result, he brought in new job creation initiatives on his own in his last budget. Today we need them even worse than we did then. Today there is an even stronger case for going alone than there was then. We have established that there are some savings over budget with the minister's new restraint program. When is the minister going to put those to work to get people working in this province?

Hon. F. S. Miller: If the Leader of the Opposition has trouble with me in terms of my love-hate relationship towards Ottawa, we do not have too much trouble with him. At least he is on the record as saying the federal government is an albatross around his neck, that no Liberal government could get elected right now because of the incompetence of Ottawa. Those are the member's quotes, are they not? Those are the things he has said about his friends in Ottawa; he does not want to be associated with them.

Mr. Mackenzie: Mr. Speaker, in terms of the extent of unemployment now in this province, does the Treasurer realize the impact of the latest announcements in basic steel, which will have a multiplying effect right throughout our industry?

With almost 4,000 out of a work force of 9,000 out as a result of the layoff announcements in Sault Ste. Marie, with almost 3,000 out of a force of 11,800 out at Stelco, and with more than 2,100 out of a force of 11,000 out at Dofasco as of the latest announcements, does the Treasurer realize we are talking about a 25 per cent layoff ratio in basic steel, which will then have an effect right through the economy?

What is the Treasurer doing in terms of creating jobs and protecting jobs in Ontario?

Hon. F. S. Miller: Mr. Speaker, if the honourable member thinks I get any joy out of those figures, I do not and he knows it. The fact of it is I said in my budget that obviously I had to deal within the limits of the authority, power and influence that I have as a Treasurer and that

Ontario has as a province. We believe that Canada too has to deal within its limits.

The member and I know that those basic industries suffer from a number of problems. One, export markets have dried up; two, foreign steel is being dumped in this country. I think the member will agree with that.

I have a basic belief that we should be protecting the jobs of Canadian workers, be they in the auto industry or in the steel industry, by as many retaliatory measures as we can take at this difficult time because other countries are not playing fairly by us.

Given all that, the member also knows that it will take a general improvement in the economies of North America and Europe before any major improvement will take place. We are doing our part in that. We still happen to have one of the best records for overall responsibility of any government in that process.

Mr. Peterson: I note with some interest the Ontario Business magazine, where there is a rather Lincolnesque picture of the Treasurer on the front. The quote that I find most interesting is from one Bob Kennedy, a former Toronto radio station news announcer, who was employed by the Treasurer's ministry in February 1982 to handle communications. Referring to the Treasurer, he said, "He is a born leader."

When is the Treasurer going to lead on this issue, the most fundamental crisis in this province today?

Hon. F. S. Miller: I am pleased that the Leader of the Opposition chose his quote so selectively. Why did he not choose some of the quotes of the Liberals in Muskoka—the Miller Liberals—who are in that magazine? I happen to get all the votes of almost all the Liberals in that riding because I have shown leadership in that area.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, my first question is to the Minister of Labour. Does the minister feel that someone like Marie Mitchell of Woodbridge—whose rent has just been increased by \$1,284 by the Residential Tenancy Commission and who earns \$6.40 an hour, or \$13,312 annually as of December 1, 1982—contributes, by her excessive income, to Ontario's serious economic problems of unemployment, high inflation and high interest rates?

Hon. Mr. Ramsay: Mr. Speaker, the honourable member has been raising those same types

of questions now for several days in this Legislature.

Mr. Mackenzie: He is talking about real people.

Hon. Mr. Ramsay: That is right, he is talking about real people. There are real people being seriously inconvenienced. They are being seriously shattered by the economy as we know it today: by layoffs, by plant closures and plants that will never open again. At least the lady to whom the member is referring has a job and will be getting an increase in pay. The majority of people today are not going to be getting increases in pay as generous as that in the year to come.

Mr. Foulds: Does the Minister of Labour seriously consider that a nursing aide with a total income of \$13,000, which had been negotiated by her union, is receiving a generous income and a generous wage? Does he think she should be grateful to him for rolling back her wages by at least \$456 a year when she has had her rent increased by something like \$1,200?

Does the minister think it is fair, just in simple terms, that she had her rent increased by 31.7 per cent by one agency of the government; that the government rolls back her wages and that another agency, the Ontario Housing Corp., has not been able to find low-cost housing for herself and her 14-year-old child?

2:30 p.m.

Hon. Mr. Ramsay: Of course I do not feel that the salary being quoted is a generous salary or even a salary that anyone can subsist on these days, certainly not at that figure. However, perhaps I can put the point I am trying to make this way: there is another alternative to holding the salary line. Maybe the other alternative is layoffs. I would far sooner see modest increases for those who are working than see a litany of further layoffs.

Mr. Wrye: Mr. Speaker, can the minister tell this House what impact he believes the five per cent limitation on the wages of such low-income earners would have on the economy? How does he believe that limiting the wage increases of those who are spending every nickel they get in salaries right now is going to help get the Ontario economy moving again?

Hon. Mr. Ramsay: Mr. Speaker, in coming forward with its wage restraint package this government did address the problem of those in the lower income categories and did arrange for minimum increases of \$1,000.

Mr. Philip: Mr. Speaker, Mrs. Mitchell was

not able to attend the Progressive Conservative fund-raising dinner party the other night at \$200 a plate, at which the Premier (Mr. Davis) talked about the need for wage restraints.

Can the minister explain why Marie does not deserve the 12.2 per cent increase that her union negotiated and the government has rolled back and in fact broken, but does deserve the 31.7 per cent rent increase that the Minister of Consumer and Commercial Relations (Mr. Elgie) refuses to do anything about?

Hon. Mr. Ramsay: Mr. Speaker, the circumstances the member describes are sad ones indeed. On the other hand, if the member wants to talk about housing, here in Ontario there is more subsidized housing available than in any other constituency on the North American continent outside of New York, so I think the province is certainly doing its best in that respect.

TEAR GAS TESTING

Mr. Foulds: Mr. Speaker, I have a question of the Minister of the Environment in the absence of the Solicitor General (Mr. G. W. Taylor). Can the minister tell us how the Ontario Provincial Police, who were testing tear gas at the Armbro gravel pit near the village of Caledon, could have been so impervious to public safety that they inadvertently managed to gas 350 children and staff at Caledon public school one and a half miles away last Thursday, September 30?

Can he tell us whether the OPP as a matter of course notifies the Ministry of the Environment when it is going to undertake such testing with toxic substances?

Hon. Mr. Norton: Mr. Speaker, first of all, the OPP and certain other groups, such as fire departments, that are engaged in training programs are not normally required to notify the ministry on each and every occasion when, as in this case, they might use tear gas, which is normally and even in this circumstance a relatively harmless substance with no long-range ill effects; or when, as in the case of the fire department I suppose, they might use test fires for the purposes of training. So the answer to the latter part of the member's question is no, it is not normally required.

In this case, as in others, the police would be following their normal training manuals. The staff are knowledgeable in the handling of this gas. In this case the unfortunate variable that gave rise to the problem was the fact that the weather conditions included a low cloud cover

and an inversion, I believe, which did not allow for the ready dispersal of the gas, as they had expected. As a result, it was carried into the schoolyard under foggy conditions, and it did cause some minor irritation of the students. There are no longer-term ill effects as a result of that.

I might, perhaps in anticipation of the next question, tell the member I have requested a full report from my staff, and staff has also been in communication with the police. I will be reviewing with the Solicitor General any measure that we can take to improve the situation and avoid this kind of event in future. I would point out there is probably no way we can guarantee that something like this will never happen again.

Mr. Foulds: In view of the serious and unfortunate consequences—350 children were sent home ill, experiencing sore throats, running noses, inflamed eyes and severe headaches, and 50 of those children were subsequently out of school the following day—can the minister tell us why it took four days for the OPP to acknowledge responsibility for the incident and acknowledge that the substance causing the symptoms in the children was tear gas; and thus for four days caused the children and the parents involved considerable suffering and anxiety; whereas if, on the Friday, they had publicly acknowledged their participation and identified the substance, the mere flushing of the eyes and outside breathing could have alleviated a good deal of that suffering?

Can he explain that delay; and can he tell us if he will insist that when any police force, fire force or other agency of this province undertakes such tests in future, the medical officer of health and the ministry will be notified in advance to warn them not to conduct tests in foggy conditions when there might be an air inversion?

Hon. Mr. Norton: As I indicated, I am awaiting a full report from the staff who were involved from the early stages of this. We were notified, I believe by the school, of the circumstances and of the reaction of the students. Initially it was not known what the cause of the irritation was.

In the absence of a detailed report, I do not know precisely when the police acknowledged their involvement. I am certainly confident there was no effort to hide it. In fact, it was not long after the involvement of my ministry, in checking out what the cause of the irritation might be, that it was discovered it was related to the police training program.

I have seen a letter that was sent by the principal of the school to the parents, acknowledging the co-operation of the police and my ministry in dealing promptly with the matter. So I do not know whether the delay the member is referring to—

Mr. Foulds: On the Monday after.

Hon. Mr. Norton: Do not forget there are weekends in between Fridays and Mondays. Normally that is the case, except for politicians.

Mr. Cassidy: Oh, come on.

Hon. Mr. Norton: Just calm down, Michael. The allegation your colleague made was that there was a delay in acknowledgement of that. The point I am trying to make is that there was not.

He says the letter went out on Monday. I am not sure of the day, but if it were on Monday then presumably the appropriate information had been made available certainly prior to Monday, or the letter would not have gone out then. Once I have the full report, I will review it and I will consider what possible improvements might be made.

Mr. Charlton: Mr. Speaker, perhaps the minister should be informed that there are no weekends for parents either. They end up being parents seven days a week.

Can the minister tell us what the investigation now entails, and whether the ministry is considering laying charges against the OPP as a result of this incident?

Hon. Mr. Norton: Mr. Speaker, I think it is important that the honourable member understands that my reference to “weekend” had to do with such things as delivery of mail and in fact the students are not in school so they cannot take letters home to their parents. That is the practical problem in delays from Friday until Monday.

I know that parents are parents for seven days a week, even though I do not happen to be one myself. There are certain self-evident truths that really do not require your explanation. What was the second part of your question?

Mr. Charlton: The charges.

2:40 p.m.

Hon. Mr. Norton: Obviously that would be a matter to be determined once the full details are available to me for review. On the basis of the information I have at the moment, there is nothing to indicate that the police acted negligently or failed to take normal safety precautions. The weather conditions were a very

significant factor. I reserve judgement or decision on whether that ought to be pursued until I have a full report.

DISPOSAL OF NUCLEAR WASTES

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. The minister will be aware of the fact that radioactive wastes from the US Manhattan Project are stored on property adjacent to the SCA site in Lewiston, New York, and close to the Niagara River. However, is he aware that the US Department of Energy is now considering an expansion of this site and establishing a regional radioactive waste disposal centre which will accept radioactive wastes from New York, Ohio, New Jersey and Massachusetts to this site?

Has the minister's task force on the Niagara River been informed of this proposal? What steps would the minister be able to take to protect the river from this new threat which is being posed?

Hon. Mr. Norton: Mr. Speaker, my information is rather limited at this time since, to the best of my knowledge, the report the member refers to is not yet a public document.

I understand what has occurred is that consultants were retained by the American government to make recommendations on the future of that site. I must say I am speaking not with the benefit of having seen the document but with the information I have been able to glean up to this point, mostly from press reports.

I believe the consultants have submitted a report to the federal government of the United States and that, among the options the consultants have suggested for consideration, there is one similar to what the member has described; that is, that the site be used for storage of radioactive material.

I have asked my staff to obtain information through their normal channels of communication with the Americans, and also to pursue with our federal government through diplomatic channels the specifics of those recommendations so that we have the benefit of seeing those and expressing to the Americans our deep interest in knowing what they are considering on that site, because we have a keen interest in the future of that site in view of its location.

Mr. Kerrio: The government has been a watchdog of the Niagara for the 40 years it has been in power and in that time the river has become polluted beyond anyone's expectations to the point where now it is a poisoned body. Does the minister realize that on November 20,

1980, I informed his predecessor of the existence of radioactive wastes and extremely explosive TNT adjacent to this SCA site and at that time the minister stated, "It is obviously a matter of grave concern to Ontario"?

Given the concern expressed at that time, will the minister ensure that proper channels of communication are established between all of the Great Lakes states? By having that kind of co-operation with those states, Ontario could be informed whenever such proposals are being discussed. That may be the way we could have some control over what happens on both sides of the border and not have additional threats posed to the drinking water in the Great Lakes system, especially at Niagara.

Hon. Mr. Norton: As the member is well aware, we have established some very good lines of communication with the Americans with regard to the Niagara River. We have the ongoing Niagara River task force on which four governments are represented, the federal and state governments from the US and the provincial and federal governments on this side. There has been a free exchange of information through the aegis of that task force.

What is different in this situation, as I understand it, is that this consultant's report was commissioned by the US federal government and to the best of my knowledge the state government in New York may not even be privy to its contents. It is my understanding that the information became available through the pirating of a copy of the report through the media, which subsequently alerted us to at least one option that apparently has been recommended.

I can assure the member I will pursue a copy of the report as soon as possible. The pursuit is already under way and I hope to get it soon. I will encourage a free flow of information on this as well as all other matters. Communication is not a problem.

Mr. Charlton: Mr. Speaker, in view of the fact that there is already considerable concern about leakage of radon gas from the ordinance work site, both by air and water, and in view of all the other problems we are confronted with on the American side of the Niagara frontier, will the minister table whatever information he gets so we can have access to it as well and assure us that he will oppose any proposal that considers any further risk to leakage through the ground into the Niagara River?

Hon. Mr. Norton: Mr. Speaker, at this point I do not know whether I will be getting a copy of

that report. I cannot be certain of that yet. Certainly any information I have will be information that I intend to share.

As far as future directions are concerned, obviously I will take every step necessary to protect the interests of Ontarians in the quality of the air and water, not only in the Niagara River area but elsewhere in the province.

SHELTER ALLOWANCES

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Community and Social Services. Given that 14 per cent of general welfare recipients are in public housing and that the vast majority are out of the private housing market, given that the present shelter allowance and subsidies guarantee single employables 100 per cent of rent costs only up to \$75 a month and those of a mother with one child 100 per cent only up to \$130 a month, and that the formula otherwise guarantees that rents above those rates will be picked up at only 75 per cent of cost, does the minister not agree that the formula is grossly unfair and out of touch with real rent costs in the private market today? Is he not basically asking these people to take money from their food allotment and from other basic needs in order to pay their rents?

Hon. Mr. Drea: Mr. Speaker, I guess the member wants to know if I am going to make an announcement today about rates. I will be having something to say about social assistance rates and other programs in the very near future.

Mr. R. F. Johnston: I did not think that was my question. Perhaps I can ask for an answer on a specific question.

Does the minister understand the gravity of the situation for people in the private housing market at the moment? Even if we take 80 per cent of Canada Mortgage and Housing Corp. rent averages, a mother with one child in most major cities in Ontario is paying 55 to 71 per cent of her total income for a two-bedroom apartment.

In Ottawa, where there is a vacancy rate of 0.4 per cent, that means a mother is spending about \$125 out of that \$256 for food and other needs. In Metro, where there is a 0.6 per cent vacancy rent, she would be paying about \$126 out of that \$256.

Does the minister not agree this is basically forcing mothers to take food out of their own mouths and those of their children in order to

pay rent? Is it not time we adjusted the basic premise of this formula?

2:50 p.m.

Hon. Mr. Drea: I thought I answered that the first time around. I will be having something to say about it in the very near future; and it will not be the 20 per cent, \$237-million package the member wants.

METRO TORONTO BILL

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Education about probably the biggest issue to hit education in Metropolitan Toronto for some time. I have on my desk, as members of Legislature will see, the briefs that have been received by members of the standing committee on general government. There were a large number of them and a large number of representations made.

Now that she has listened to the representations that have been made to the committee and has received petitions, letters and telephone calls, most of them in opposition to Bill 127, would the minister be prepared to give an undertaking to the House today to withdraw that bill?

Hon. Miss Stephenson: No, Mr. Speaker.

Mr. Bradley: Since so many of those who appeared before the committee were in opposition to the bill and expressed a concern about what they consider to be an assault on local autonomy; and since those presentations, I would say, represented a good cross-section of people in as well as outside of Metropolitan Toronto, does the minister not recognize that the implementation of this bill will engender the kind of bitterness that surely she wants to discourage or avoid in education in Metro?

Hon. Miss Stephenson: I would remind the member that his question was, would I give a commitment today to withdraw the bill? My answer was a simple no, I will not give that commitment. My hearing and my sensitivity are equal if not superior to the member's. I heard all those presentations when I was in attendance and read the remainder. They are being seriously considered.

Mr. Wildman: Mr. Speaker, could the minister also tell us if she is as sensitive to and if she is taking into consideration as seriously the representations that the committee was told had been made to her by the Attorney General (Mr. McMurtry) and her other colleagues in the cabinet who have indicated to some of the

deputants who appeared before the committee that they are opposed to this Legislation?

Hon. Miss Stephenson: I am sorry, I did not hear what the question was.

Mr. Wildman: Perhaps that is an indication of how well she listens in the committee. I asked if the minister would take as seriously as they do the representations that have been made to her by her colleagues, such as the Attorney General and other members of the cabinet, who have indicated to deputants who appeared before the committee that they were opposed to this legislation.

Hon. Miss Stephenson: As in all circumstances, the opinions of all members of caucus have been most seriously considered.

UNIVERSITY ACCESS FOR HANDICAPPED

Mr. Allen: Mr. Speaker, I have a question for the Minister of Colleges and Universities about the most vulnerable group in our society, namely, the handicapped, with respect to higher education.

Two years ago her ministry, in the spirit of the International Year of Disabled Persons, approached the universities pressing them to undertake to accommodate the handicapped in their buildings, facilities and programs. Last spring the Council of Ontario Universities' special committee on the handicapped sat down with ministry officials on this subject with highly unsatisfactory results and left quite baffled as to the ministry's intentions. That stalemate still exists.

Will the minister comment on this incredible situation and reassure the House that she still places a high priority on the needs of the handicapped in gaining real access to higher education?

Hon. Miss Stephenson: Mr. Speaker, access to higher education for the physically handicapped has been and continues to be a priority of the ministry. We shall continue to do our utmost to ensure that a larger number of those who suffer from physical handicaps are provided with the opportunity for post-secondary education.

Mr. Allen: The minister will pardon me if I am not entirely reassured. The funding cutoff for the audio library for the visually handicapped at Trent University and the standoff that now exists between her ministry and university officials lead me to conclude that the ministry would rather see this whole matter collapse of

its own weight or somehow lose itself in the tangle of ministry-university relations.

I have some correspondence in my hand. The Council of Ontario Universities earlier this year wrote to her ministry asking if—given the tremendous expenses of physical reconstruction and so on that is entailed in this kind of an operation for the handicapped—her ministry would not consider giving some assurance that appropriate funds would be included in the normal grant system.

It was not asking for special earmarked funds, but for funds included in the regular capital grants and operating grants. It also asked the minister for reassurance that increased Ontario student assistance program funds would be available specifically for the handicapped to assure the universities that they would have access to the university system. Most immediately, it wanted to inquire whether the ministry would sit down with its officials to join in a hard-headed survey of the actual needs and costs entailed.

The Deputy Speaker: The question is?

Mr. Allen: The question is this. Would the minister not consider—

The Deputy Speaker: One question.

Mr. Allen: The question essentially is whether the reply that came forward was not a disgracefully patronizing, and even tauntingly threatening, reply inasmuch as it stated that earmarked funding, which was not asked for, would represent a major departure from current policy? It went on: "The council should consider whether it advocates such a form of intervention. If the council does, we would appreciate hearing a statement to this effect." Is that not a disgraceful reply? In the light of this, is the minister really serious about the handicapped?

Hon. Miss Stephenson: I guess patronization is in the eye or the ear of the beholder only. There was no such intent whatever. There has been ongoing discussion about this matter. I have not discussed it with university officials per se, but it is a matter that has been discussed from time to time with the presidents of the universities and with chairmen of boards.

We in this province are concerned about the post-secondary education of physically handicapped young people, and people who are not so young as well. If we had not been so, we would not have provided additional funds for the Trent audio library to fund a service that was begun by the university as an ancillary service, in the usual form of an ancillary service,

and that has pleaded from time to time for additional funds.

We are attempting to help the audio library to find the appropriate structure for its ongoing viability and shall continue to work in that way. I do not think any of those with whom I have conversed within the university would consider that any of the discussions or any of the communications we have had have been patronizing.

Ms. Copps: Mr. Speaker, I would like to cut through the convoluted question and the even more convoluted answer. While the discussions may not have been patronizing, they certainly were fruitless. I think the minister is very well aware that the university has chosen at the end of the next school year to terminate this program.

She has applied a special grant for this coming school year. At the end of that year the university is prepared to terminate the program. The minister is very aware that blind students across Ontario use this program. Will she guarantee funding after the next scholastic year?

Hon. Miss Stephenson: Mr. Speaker, if that was a straight question, I hope I never hear a convoluted one from that member. We have made attempts to assist that university in the past, have done so again this year and, as I said, we are working with them to establish—

Interjection.

Hon. Miss Stephenson: There has been an annual threat to terminate the service. This is one more. We are attempting to help the university to find a structure that will ensure its viability for all post-secondary students in Ontario with that kind of handicap.

MUNICIPAL ELECTION ADVERTISING

Mr. Epp: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. Given the fact that the minister has committed \$850,000 of Ontario taxpayers' money to the get-out-the-vote campaign, would he indicate to this House whether he did a cost-benefit or feasibility study before he committed the money; and secondly, how he plans to analyse the results after November 8 to determine whether the expenditure of \$850,000 was effective or not?

3 p.m.

Hon. Mr. Bennett: Mr. Speaker, an association in which the member and I both have a great deal of confidence, the Association of Municipalities of Ontario, representing 838 municipalities in this province, recommended

to this ministry for one or two years—maybe longer—that we should get into a province-wide campaign to get out the vote at municipal election time.

The discussion with AMO and its executives and members went on for some period of time. I indicated in August when I spoke to AMO that the Ministry of Education and the Ministry of Municipal Affairs and Housing were undertaking a joint program to sponsor a province-wide, get-out-the-vote campaign. Members have heard the ads, I am sure, on both television and radio.

The Ontario Chamber of Commerce is another organization that I think we all have a degree of understanding and respect for. Whether we agree with its position all the time or not, it has expressed views and has also said in more than one brief to this government—and I think on occasions to the member's caucus—that a province-wide campaign should be sponsored to get out the vote at municipal election time. With that type of interest and desire, my ministry, along with Education, put together a program I think will be very effective.

As to how to measure it, I suppose, as I said to the press the other day, that in any advertising program one has difficulty knowing whether one is reaching the market or has stimulated the market. As the minister representing the government, if the vote goes up, I suppose I can say the program will have been extremely successful. If I am asked what it means if the vote count or the percentage happens to remain the same—and there are a lot of things that have to be put into the calculation to know whether the percentage does or does not remain the same—I suppose I could take the other positive attitude and say very confidently that if we had not had the program, it might have been somewhat less.

Mr. Wrye: Mr. Speaker, I would like to ask the minister, who is now so concerned about getting out the vote, where his commitment to bringing out the vote was last year when his government called a general election in the height of winter? I would like to ask him why we did not hear his outrage about the timing of the York South by-election, which I am sure this minister knows conflicts with the municipal advance poll and will certainly confuse the voters whom the minister is saying he is trying to reach.

Given that the minister has made the comment that amounts to saying "If I win, I win; if I lose, I still win," why does he not simply admit that this campaign is really a fruitless, self-serving propaganda scheme by his own gov-

ernment? When is he going to follow what he has asked Ontario citizens to do and start practising some restraint?

Hon. Mr. Bennett: Mr. Speaker, I will not try to answer the question in relation to the general election. It is one in which we all thought the percentage vote was high in this province. I trust the by-election that is taking place in York South will have a very high turnout on behalf of the people looking at the right-wing philosophy of this province.

As for the latter part of the member's question, let me suggest to him that we have a clear indication that there appears to be some difficulty in his thoughts, that he is afraid the program might be positive and get a very substantial turnout at municipal election time. I am not. I am one who believes we should be encouraging as many people to exercise that franchise as possible to give the mandate to municipal governments which spend some \$12 billion.

I am not afraid of a large turnout at municipal elections. It appears the member is.

Mr. Breagh: Mr. Speaker, it is remarkable in a restraint period that the government has this expenditure for this kind of campaign. Does the minister have a special wrinkle for continuing this campaign into those areas of the province where there will be no election November 8, where it will be by acclamation? Is there yet another campaign to be unfolded even though there is no election?

Hon. Mr. Bennett: Of course, Mr. Speaker, the question really deserves no answer. But let me suggest that there is a second opportunity in the campaign, if we look at it in a very positive fashion, and that is what this ministry has been looking at, the opportunity not only to get people out to vote but also to get people who might want to offer themselves for candidacy in municipal elections.

MORTGAGE ASSISTANCE

Mr. Philip: I have a question for the Treasurer. The minister is no doubt aware of his government's participation with the federal government in a million dollar advertising campaign on housing. This campaign boasts—and I quote from the campaign literature and from the television ad—"plans to cut mortgage interest rates on new homes."

Would the minister now agree that there is no such plan by either the federal or provincial government to lower or cut mortgage rates?

Why does the government participate in an advertising program that falsely builds up people's hopes by offering something that is nonexistent?

Hon. F. S. Miller: Mr. Speaker, I think I should refer that to the Minister of Municipal Affairs and Housing.

Hon. Mr. Bennett: I want to say very clearly to this House that we achieved something in the advertising program for the first time in this country.

Interjections.

Hon. Mr. Bennett: The member would like to ask the question and answer it with his own stupid thoughts. I would ask him to sit just for a moment.

We are participating in the \$8,000 renter-buy program with the federal government. For the first time we have succeeded in getting the federal government, the provincial government and the private sector to co-operate in an advertising program to try to stimulate the economy of this province in the construction and purchase of homes. I think both the federal government and the private sector are to be complimented.

Let me try to clear up the price. Those fellows over there throw figures around just to suit themselves. This province committed itself to \$350,000, the federal government to \$350,000 and the private sector to \$150,000 in the advertising program to promote and sell homes in Ontario and to get people to move from rental accommodation into ownership.

Let me go back to the second part of the question. The member asks about the federal government's interest writedown program. At the time of his budget in June, Mr. MacEachen indicated very clearly that he was going to have a blue-ribbon committee look into the potential of having some interest writedowns available on mortgages, and he set up the committee. Apparently, there has been a report presented which is not likely going to recommend that position to the federal government. I do not know it as yet, but that would seem to be the indication.

This province has never indicated, and I as the minister reporting for Housing have said I would not indicate to this government, that we should get into an interest writedown position on mortgages.

The Deputy Speaker: I am afraid the time for oral questions has expired. I made some allowance to extend question period because of the opening points of order.

Mr. Philip: On a point of order, Mr. Speaker: The minister did not answer the question as to whether or not there was, as the ads claim, a plan to cut mortgage interest rates on new homes.

The Deputy Speaker: The member will have to reserve that for tomorrow's question period. The time for question period has expired.

I would like to point out to all members that I have noticed during the asking of questions that many questions contained two or three parts. I hope that does not become a tradition of question period. We will move on to the business of the House.

INTRODUCTION OF BILLS

ELECTION AMENDMENT ACT

Mr. Breithaupt moved, seconded by Mr. T. P. Reid, first reading of Bill 182, An Act to amend the Election Act.

Motion agreed to.

Mr. Breithaupt: Mr. Speaker, this bill amends the Election Act in a number of ways. First of all, the term "British subject" as a basis for voter or candidate qualification in an election is removed. All voters and candidates must now be Canadian citizens.

3:10 p.m.

The chief election officer is given authority to set standards for convenient access to polling places by physically handicapped persons. The bill provides, in so far as is reasonably possible, all polling stations should be, and all advanced polls must be, accessible to the physically handicapped. Such persons are permitted to name voting proxies up to and including the day of the election.

The political affiliation of candidates would be shown on the ballot. Campaign material is prohibited from being brought into or placed near a polling place on election day. The procedure for establishing the qualifications of a voter whose name has been omitted in error from the polling list is extended to all polling subdivisions, rather than simply rural subdivisions. Finally, the restriction that limits a person to assisting only one blind person in voting is removed.

This bill is the same as one I introduced five years ago. I hope it will especially be considered by the 30 members of the House elected since then.

The Deputy Speaker: Might I have the unanimous consent of the House to revert back to

petitions. In my haste I overlooked petitions.

Agreed.

PETITION

TAX ON FEMININE HYGIENE PRODUCTS

Mr. Epp: Mr. Speaker, last spring I introduced a petition of 6,400 names respecting sanitary pads and tampons. Since that time 500 additional names have been sent in. I present an additional petition of 547 signatures of people who want the seven per cent tax removed from these products.

The Deputy Speaker: In my haste it would appear we also missed motions.

Mr. Wildman: Mr. Speaker, you were not hasty, they were tardy.

Hon. Mr. Wells: Well, Listen, I am sure that all members would like to hear this motion since it affects us all.

MOTION

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that this House adjourn tomorrow, Friday, October 8, and stand adjourned until Tuesday next, October 12, at 2 p.m.

Motion agreed to.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province:

Mr. Di Santo: Mr. Speaker, as you can see there is a consensus at least in this, that the House—the Tories, the Liberals and the New Democrats—wants to hear my speech.

Mr. Conway: A consensus in the House and on the bus.

Mr. Di Santo: Yes, on the bus, as the member for Brant-Oxford-Norfolk can tell the members.

Mr. Nixon: I can verify that.

Mr. Di Santo: The other night I started debating Bill 139.

An hon. member: Bill 179.

Mr. Di Santo: Bill 179. I tried to explain the reasons why the government belatedly had decided to join the federal bandwagon with its

own restraint program and to give the untold reasons why the government thinks that at this time it can impose this program, which is selective, which is arbitrary and which punishes one single group in our society without suffering any consequences.

The only consequences the Tory government is interested in are the polls. It must have taken its own opinion polls because it spends \$40 million a year to check what the reaction of the public is to almost everything so that, as good leaders, they can provide from the polls the leadership the public wants.

Most likely also on this occasion the government has taken its polls and it has probably come to the conclusion that by singling out public servants and other public employees it would not suffer at the polls. Last Sunday the *Toronto Star* gave us a bit of the reaction of public opinion. It said that in Metropolitan Toronto there is overwhelming support for the six and five control of the federal program and, by implication I think, also for the provincial program.

However, if the government is convinced that it can get away with this program, I think in the long run it will suffer the consequences and will be wrong. Members know that this type of program is effective if it is limited in time and is pretty general. It is a medicine that no one wants to swallow but it is accepted for the common good. I never understood exactly what that expression means, but it is accepted as being for the good of all citizens.

Controls must have a positive effect. They should cure the whole problem and help solve the economic crisis, which is the major symptom of the problem. The government has chosen to attack one aspect, inflation, and not on a general basis but selectively by taking one sector of the wage earners in this province, the public servants. Most likely that will not help to fight inflation or help to create jobs. Above all, that will not help the people of Ontario and the people of Canada to come out of the recession.

Even though members may hear all the members of the Conservative caucus, the ministers, those who are able to articulate any thought at all, repeating the clichés that have been prepared by the staff of the Treasury and public servants who are paid by the taxpayers of Ontario to make the Tory caucus look good, even though they have tried very hard to justify and to rationalize this program, I think that deep down they know it will not work.

3:20 p.m.

Yesterday the Premier (Mr. Davis) was speaking to some 2,200 supporters of the Progressive Conservative government, who paid \$200 each to attend the party's annual fund-raising dinner at Harbour Castle Hilton Convention Centre. I assume that the great majority of those 2,200 people were those hospital workers, nurses, workers for the municipalities of the province and caretakers in the public schools who were joyously joining the Premier and the cabinet to help raise the fortunes of the Conservative Party by paying \$200 a plate. And, of course, they went there to express to the Premier and the government their support for the government axing their wages.

Yesterday the Premier said something very important. He said he could not quarrel with the contention of New Democratic Party that the controls will not produce a single job in Ontario immediately. The member for Riverdale (Mr. Renwick) has asked me to repeat that. I think it is very important and I want to do so. I am quoting from today's *Globe and Mail*, in which it is stated that the Premier said "he could not refute charges by the Ontario New Democratic Party that the controls won't produce a single new job in Ontario immediately. But he said that over the long term the restraints will diminish the pressure on inflation and on capital market and will have reduced expectations by example."

Later on I will come to this and explain why this statement, which has been repeated time and again by the Premier, and by the Treasurer (Mr. F. S. Miller) on September 23, that restraints will diminish the pressure on the capital market, is a myth, is totally untrue. For the time being, let me tell the assembly that the Premier recognizes that there will not be one single job created by the program, even though he puts the caution that that is only "immediately."

The 489,000 people in Ontario who were unemployed at the end of August must have rejoiced at hearing the good news from the Premier, that there will not be one single job for them in Ontario now, but in the future, in the fullness of time—that very dear expression the Minister of Education (Miss Stephenson) used so often when, in her capacity as Minister of Labour, we asked her when she was going to introduce the amendments to the Workmen's Compensation Act. She said, "in the fullness of time." Yesterday, the Premier, along the same line of thought, said that in the fullness of time inflation will be reduced, the market will not

any longer bear the incredible burden of the government requiring funds and, therefore, for some mysterious reason he did not explain to the 2,200 faithful, the economy will start going up again.

We all know that things do not work that way. We know that if we want to solve the problems of the economy, if we want to come out of the recession, we must have a plan in mind, we must decide what we want to do and we must infuse capital into the economy if we want the economy to rebound.

That is not an extremist Socialist approach; it is recognized by everybody. As late as last week, even the Economic Council of Canada came out with the same revolutionary proposals: let us cut taxes, let us increase the federal budget and let us create jobs. But for this government only the parochial interest of the Conservative Party exists, and since it was encouraged by the federal poll that shows there is support for the policy of restraint on the public sector, it decided it should join in, but not on the private sector.

I think there is genuine discomfort among the Tories, the federal Tories and the provincial Tories, because they realize, after all, that Canadians may be a very patient people and may take everything that comes from bad governments like this one, but at some point in time they may say, "That's enough." Probably they say it in their private conversations. They probably hear it from their own friends at the Albany Club. Let us try to show there is some fairness because if we do not touch at all the private sector, if we curb only the wages of civil servants and we leave income from companies totally unrestrained, then the people will eventually say that is unfair.

The Premier last night, in a speech that probably the members of the Conservative caucus heard and applauded, said, "The private sector's assessment of its role in these difficult times is a responsible and sensible one." I assume, by implication, that assessment of the role in these difficult times by public servants of this province and all the other public employees is probably irresponsible and nonsensical.

The Premier said yesterday, in his first major public speech since he slapped the five per cent control on public employees, "The government can't see one group singled out if we do not have the support of those of you with responsibility to the private sector." One would expect the next line of the Premier's speech would be, "Therefore, we expect you will join the program. We

will legislate you as well." But, no, the Premier cautioned the private sector to be more responsible and more sensitive.

Interjections.

The Acting Speaker (Mr. Cousens): Order.

Mr. Di Santo: I did not want to interrupt the Minister of Education, because Mrs. Stephenson is so witty.

Hon. Miss Stephenson: Mr. Speaker, on a point of personal privilege: My name is not Mrs. Stephenson. If he wants to say "Ms." that is fine. Thank you.

The Acting Speaker: The honourable member should refer to you by your office.

Mr. Di Santo: Mr. Speaker, on the point of privilege: I fully accept your recommendation that the ministers must be addressed by their titles, but personally, when I address the member for Riverdale, I can say the member for Riverdale, Mr. Renwick. I said "Mrs. Stephenson" with affection. I did not mean to be derogatory.

The Acting Speaker: I thank the honourable member. You have the floor to continue your presentation on Bill 179.

3:30 p.m.

Mr. Di Santo: I am old-fashioned, Mr. Speaker. Perhaps later in my speech you will allow me a digression on the relationship between members of the Legislature on opposite sides.

The Acting Speaker: No. I would prefer that the member continue his presentation on Bill 179.

Mr. Di Santo: Thank you, Mr. Speaker. I will restrain myself and go back to the bill.

Interjections.

The Acting Speaker: Order. Stop interjecting on the interjections.

Mr. Di Santo: I am always reluctant to challenge the rules of the House. They are rules we impose on ourselves collectively and are our only mechanisms to express our points of view and our policies. I am more interested in challenging the policies of the government. I think your advice is timely, Mr. Speaker, and I want to go back to discussing the bill.

Yesterday, at a dinner of 2,200 Conservative supporters who paid \$200 each for a fund-raising dinner at the Harbour Castle Hilton, the Premier said something that really bothered me, because it is in line with what the federal government is saying about Canadians. It is an abdication of responsibility and of the duty of

leadership the government should provide to the people who elect it.

The Premier said he might be accused of sounding mid-Victorian. One may observe—and certainly the member for Lake Nipigon (Mr. Stokes) is having the thought—that in his modesty, the Premier is thinking of himself in historical terms, the continuation of some great historical figure, and that is why he compared himself to Queen Victoria and not to the daily reality, which is much more vulgar.

The Premier said he truly believed people have to learn that the economy can produce no more than they are willing to put into it. This is sound, solid common sense, which I wish the government would use when it deals with its own business.

He went on to say—and this is what really bothered me—that a large part of the difficulty is that people are more inclined to complain and blame others for their problems than to work together in a spirit of co-operation.

A few weeks ago the federal Minister of Energy, Mines and Resources, Jean Chrétien, made a speech in the same vein, saying that Canadians are a nation of bitches. Of course, there is no evidence that Canadians are a nation of bitches, because if these controls had been imposed in any other country in the democratic west, in an industrial nation, one would have seen a very strong public reaction, not only by the people singled out, the civil service, but also by the general public. One also would have seen the trade unions reacting very angrily, because one cannot attack one group in our society and expect it will rejoice that one is cutting its wages and lowering its standard of living.

In Canada, nothing happens. In fact, the overwhelming majority of the people are saying that controls are very good. Not only that, they would like to see their own wages and salaries reduced. The federal government, through the Minister of Energy, Mines and Resources, dared in a public forum to accuse Canadians of complaining and of being bitches. I think that is really too much. One cannot crucify 500,000 people and expect they will applaud. They can get away with it because we have a type of structure in our society such that power is in the hands of a very few people and there is no equilibrium at all.

The Premier talks of working together in a spirit of co-operation. The Minister of Education said the other night that we should reach a consensus. The Treasurer said that there should be consensus on the policies of the government.

If they want a consensus, they should ask the co-operation of the people from whom they expect the consensus before they make the decision. They cannot come into this chamber and point-blank impose controls on 500,000 people and then expect their consensus. They expect consensus from people and political groups in our society that may have legitimate and different views on how to run the economy of the province.

If we had a different type of setup in our society, the Premier would have asked for a consensus before imposing any restraint. In France, where our friend President Mitterrand has imposed four months of controls—

Mr. T. P. Reid: And he is a Socialist.

Mr. Di Santo: He is a Socialist, yes. I want to remind members that he is a Socialist. He imposed four months of controls after having consulted the trade unions and after having set up a committee of trade unions, patronat, employers and government. In that instance, they have an extremely detailed timetable. They said after four months the inflation rate would come down to seven per cent. The workers and all the employees, even if reluctantly, must have said, "Okay, this is a medicine we must swallow and we will." That is how one reaches a consensus. That is how one can ask people to co-operate collectively, not this brutal way.

Even though it is done through this process by a debate in the House, this way resembles very much a dictatorship type of imposition on people which we can try to delay. In fact, that is what we are doing in this debate. We are trying to make the people aware that these types of policy are the wrong ones for Ontario and that we will not let the government recall the assembly to impose this arbitrary bill, shut the House again after a brief discussion and then declare it is business as before. That is not the case.

3:40 p.m.

My friend the member for Riverdale spoke quite eloquently when he took part in this debate. While I recognize my shortcomings, I wish as I speak that I could offer, not the same contribution but the same influx of enlightened ideas to this debate. However, I cannot. I recognize that. But the ideas that the member for Riverdale brought to the attention of this House finally have been taken up by some people in the media and now are being discussed.

Last year we had a great debate on the Constitution and on the Charter of Rights,

which we have framed in our offices. The member for Riverdale suggested that before imposing this bill on Ontario, the government perhaps should have considered whether it was a violation of the Charter of Rights. I do not know whether that is the case but, if the bill is passed, I hope the government will be convinced that it is by our strong opposition and that of the people who are affected. If this bill should be considered to be in violation of the Charter of Rights, then the government will have made an incredible mistake.

Mr. Renwick: They have made an incredible mistake.

Mr. Di Santo: The member for Riverdale says that in fact they have made an incredible mistake, and I trust his doctrine and his knowledge.

Leaving aside the legal aspect, I want to tell this assembly and the member for Riverdale how I would feel if I were one of those 500,000 people who have had their contracts broken by the government, although they acted according to the law of the land when they signed those contracts after having gone through their negotiations and having come to an agreement with their employer. Just because of a decision by the government, not one of the contracts signed will be honoured any longer; only the will of the government will prevail. Even though from a legal point of view the Supreme Court will probably say there are no grounds for recognizing that this bill is a violation of the Charter of Rights, in moral terms I think it is a violation of the rights of citizens who, when they signed their contracts in good faith, trusted the government to respect those contracts.

From an educational point of view, think of the disruptive effect of this bill when we go to our schools and tell the students, "The law is supreme and must be respected," but the government of Ontario can violate that law. This is the basis for anarchy, and the government is doing this for purely opportunistic reasons.

Yesterday the Premier said that the private sector must consider some restraints because it is, in his words, "both responsible and sensitive." I suppose he has in mind that civil servants are both irresponsible and insensitive. I think all the members who were at the \$200-a-plate fund-raising dinner for the Tories—

Mr. Renwick: Will my colleague permit a question, Mr. Speaker?

The Acting Speaker: Is this a point of order or a point of privilege?

Mr. Renwick: No, it is not a point of order. I was just asking as a matter of courtesy whether my colleague the member for Downsview would permit a question.

The Acting Speaker: No.

Mr. Stokes: There is ample precedent for that.

The Acting Speaker: In that case, carry on. It is most unusual.

Mr. Renwick: I simply want to ask my colleague whether this is the fund-raising dinner that the chief of police of Metropolitan Toronto attended for the Conservative Party?

Mr. Di Santo: Mr. Speaker, I am taken off guard by my colleague and I cannot respond. I pass that question to you; if you feel in your wisdom you can answer somehow, I will be glad to defer the answer to you. I am not implying you were there last night, Mr. Speaker, because I have no way of knowing that. You were there? Well, I did not know that.

Mr. Philip: You don't look like somebody who would have \$200. There is more money in computers than I thought.

The Acting Speaker: We are dealing with Bill 179.

Mr. Di Santo: Mr. Speaker, I think this is all part of Bill 179, because the Premier yesterday, in his speech to the 2,200 people who attended the fund-raising dinner for the Conservative Party at \$200 each, said that expectations are important and are part of our psychology.

I do not mean to be malicious, but perhaps those 2,200 people who attended the dinner yesterday may have a small doubt in their minds and may wonder whether in a time of restraint wasting \$200 on a dinner is not a slap to the people on welfare, who have just \$58 a month to spend on food, as my colleague the member for Scarborough West (Mr. R. F. Johnston) demonstrated in his fast last month.

I want to go back to Bill 179, because it is very important to me. I was saying that yesterday at the dinner the Premier warned the private sector. He imposes control on the public sector, but he warns the private sector. We understand the reasons. We are all adults and we know how things are in Ontario. We know that is a smokescreen, because we know this government will never touch the private sector, because the idealogues of the Conservative Party are freer to express their opinions when the Conservatives are not in power than when they are in power. When you are the government, you

have certain restrictions on yourself. When they are not in power, they say what they really think.

What do they think of the imposition of controls on the private sector? Let us go to the source and see what the Conservative finance critic in the House of Commons, Michael Wilson, said. He said the Premier was wrong in calling for federal wage and price controls in the private sector if voluntary restraint does not work: "Davis is right to slap a five per cent ceiling on public sector employees in his curbs package—and they refuse it—but wrong to assume that controls on the private sector may be needed at some point, Wilson told the Star yesterday."

3:50 p.m.

And then: "The problem is not the private sector; the problem is the public sector, in the government sector,' he said, referring to inflationary wage and price hikes. 'To impose a program of across-the-board controls on the private sector reduces its capacity on that side of the economy to pull us out of the recession we are in.'"

"The MP for Etobicoke Centre said, 'Government's most important objective is the creation of jobs, and the last thing the government should be doing is holding back the private sector when so many companies are already in a position of lost profits or low profits.'"

I think this shows exactly where Conservative thinking is: Do not touch the private sector. Give them all kinds of incentives, give them all kinds of tax deferrals; but slash the public sector. I think that in this, apart from a philosophical approach, there is also a great deal of prejudice and ignorance, because if we look very carefully at what is called the private sector, we will see that it has not been the bright spot of this society in the past and it certainly is not now.

We know very well how the economy of this country is shaped. We know very well how the private sector operates. We know very well that our economy is dominated by foreign corporations, that we have an incredible network of branches of foreign-owned companies that make decisions for us and that the so-called private sector is largely not a sector of entrepreneurs but an army of executives who make no decisions, follow orders and in many instances do not risk anything on their own.

I also want to say without regret that in many instances we have seen that whenever the private sector finds itself in open waters competing with other nations, it falls apart and is

incapable of competing. When they are in trouble, what do they do? They call on the public sector. Look at what happened to Dome Petroleum last week. Look at what happened to Massey-Ferguson. Look at what happened to a number of major industries. Look at what happened to the pulp and paper companies. Millions of dollars were given to Massey-Ferguson, because on the one hand they preach the virtues of the private sector and condemn the interference of the government in the business of the nation, but whenever they are in trouble they cry and come to the government, and the government comes to their rescue.

In fact, I think it is objective to recognize that the Canadian private sector has been able to flourish in Canada for many years mostly because historically we had a very high tariff barrier. Anyone would have been able to operate behind that barrier, because they have a huge country with virtually no competition and an incredible natural resource sector, almost infinite. In those conditions I wonder who in any capacity would not have been able to flourish.

But when they come to compete, then we really see what the private sector does. We know what happens in the world market: they are unable to compete. Look at the electronics industry. In the past few years some Canadian firms have been able to develop an industry.

Mr. Renwick: Mr. Speaker, if I may, out of respect for my colleague, I fail to see a quorum.

The Acting Speaker ordered the bells to be rung.

4 p.m.

Mr. Di Santo: Mr. Speaker, it makes me absolutely happy that more members are willing to listen to my speech. Even though I am saying things that may hurt our friends, the members of the Conservative Party, because of the positions they take and how they operate, because of caucus solidarity, because of personal reasons—

Interjections.

The Acting Speaker: Order.

Mr. Kerrio: On a point of order, Mr. Speaker: I would like to ask a reasonable question. Could I ask who moved the motion for a quorum?

The Acting Speaker: That is not relevant to the debate at hand.

Mr. Kerrio: Is that not a valid question?

The Acting Speaker: The member for Downsview has the floor. I do not accept that as a point of order. The member for Downsview will carry on his presentation on Bill 179.

Mr. Di Santo: Mr. Speaker, thank you. With your indulgence, may I remind the member for Niagara Falls, who is an absentee quite often from the work of this chamber, that the member who called for the quorum is the member for Riverdale (Mr. Renwick), who is sitting in his seat—

Interjections.

The Acting Speaker: Order.

Mr. Di Santo: —and is also very anxious to listen to my speech. I wish the member for Niagara Falls was interested.

Interjections.

The Acting Speaker: Order, please. The member for Downsview has the floor.

Interjections.

The Acting Speaker: Order. I would say to the members that we are in the midst of a very serious debate. The member for Downsview has the floor. I have asked the members several times to maintain decorum.

Mr. Di Santo: Mr. Speaker, I am a team player but I cannot make a speech in a choir. I need some attention and some concentration because we are discussing a very important problem, and it is very difficult to co-ordinate ideas when conversations are going on in the chamber. I appreciate the Speaker's sensitivity.

Before being interrupted, I was saying that the Premier recognized yesterday that this program will not create one single job. He also warned the private sector to join in a self-restraint program that was undefined because we know very well that the government will never—and I am not suggesting it should—touch the private sector because the Tory philosophy, as expressed by the finance critic in Ottawa, Mr. Wilson, is that the private sector must not be touched.

That reminds me that even if there is some confusion in the language between the provincial and the federal Tories, it is not just an accident. It is part of the inability of this government to come to grips with the real problems we are facing. In fact, while the Premier yesterday recognized that this program will not provide one single job, yet the Treasurer, who is responsible for this bill, even though in a skilled but not very convincing way he has tried to justify the bill, said in response to the announcement yesterday that the federal government may be thinking of some job creation programs, "That's a good thing if it is done

jointly by the provinces and the federal government."

As I said before, according to Statistics Canada, the seasonally adjusted figures for the end of August show we are faced with 489,000 people who are unemployed. How do the people of Ontario react? One day the government says, "We need to restrain the wages of the public employees so that we can fight inflation," or, as the Premier said yesterday, create a climate by which investment and the forces of the market will be at work again.

Although the Premier recognizes that with this program not one single job will be created, at the same time the Treasurer recognizes that the reason is to create jobs. Not so the federal government. As we know from how things work, the federal government's job-creating program is not something written down in chapter and verse, but is an idea that will be worked out. When that will be, nobody knows. Perhaps they will set up a task force to study the feasibility of a job-creating program. Perhaps they will create a commission. We do not know. Perhaps there will be a need for a further conference of the first ministers, the premiers and the Prime Minister. Perhaps there will be a need for a conference of the finance ministers. We do not know. It is just an idea.

In the meantime, what can the 489,000 people unemployed in Ontario at the end of August expect from the government? That is what we are discussing. We are discussing leadership, not expediency. As I said before, we know what this government program is based on. It is on the hope that the people will accept the program and therefore the government will be off the hook for a while. Then if there is an upturn in the economy, it will still be up in the polls. In 1985, thanks to new polls taken from now until then, the government will create some new acronyms. At that time there will no longer be BILD, the Board of Industrial Leadership and Development, but there will be something else, and the people will flock to the polls and re-elect the Conservatives forever.

I think they are wrong. Right now what we are facing is a different type of crisis. Everyone recognizes that. Even the economists in the *Globe and Mail* and in the *Star* recognize that we are not now faced with a typical cyclical recessionary period as in the past. We are faced with a structural crisis that needs a new approach, if we want to create the conditions to rebuild the economy, if we want to create the conditions for—what is now an abused word—recovery.

From the point of view of pure expediency, even in its own interests, for the government to introduce this legislation, Bill 179, which curbs the wages of the public servants, is wrong. We know very well why the federal government introduced its own restraint package. We know very well that Senator Keith Davey published a red book for all federal Liberal members in which he explained that the six and five package, the restraint program on the federal public service, had one objective only, to rebuild the fortunes of the Liberal Party. In fact, I have not seen the red book of Chairman Keith, as Maclean's Magazine called him, but we know very well what the contents of the red book are.

4:10 p.m.

We know exactly what Senator Davey said. He said: "The six and five strategy touches several positive nerves in the public conscience—the Prime Minister's rededication to a strong economy. Canada finally has a chance to get itself together. If we do not co-operate now, we are all in trouble. Everyone can do his or her bit. In fact, the government has opted for some political hardball. Therefore, it must work. It will work if the posture is one of permanence in these times of crisis."

Then he said: "Notwithstanding all the efforts of the government, however, if the program is not being forced on the political side, the Liberal Party will not reap the maximum benefit it could. The key is to sustain the momentum well into the fall. We must create the impression of economic progress, i.e., the budget is working." Then he goes on to say that the ministers must speak in terms which signal a Liberal crusade against the recession, stress the team approach, etc., but give the impression of economic progress.

I think it is tragic if the government of Ontario, in enforcing the same program, started from the same point of view wanting to reach the same goal. If they really think the public accepts this program now, we do not know what the feeling will be four or five months from now, say next winter, when the unemployment rolls have increased, when more people are out of work, when unemployment insurance benefits have run out for many people. We are told by the federal Minister of Employment and Immigration that 500,000 more people will be affected by the end of December. We do not know at that point what public acceptance of this miserable program will be.

For now we know what the polls are saying and what the people in Metropolitan Toronto

are thinking, according to last Sunday's Toronto Star. But if the government thinks that by imposing this program it can solidify the fortunes of the Conservative Party in Ontario, I think it will be proved wrong. I think they probably knew before drafting Bill 179 that Keith Davey had given his red book to each federal Liberal member of Parliament and knew what the goals of his actions were.

If they really think they can give the people of Ontario an impression of economic progress by imposing Bill 179, I think they are facing a very serious disappointment because the bill will not help to solve one single problem we are faced with. It will not help one single unemployed person among the 489,000 unemployed in Ontario and it will not create one single job. That was recognized last night by the Premier himself.

If political expediency was the basis of the federal plan, and probably the provincial plan, there must also have been other reasons why the governments of Ontario and Canada decided to impose controls only on public servants. If that is the case, what could the reason be? We know that our analysis, as Socialists, is dismissed by the government and by the commentators in the news media.

Mr. Kerrio: Maybe you are wrong. Did you ever think that?

Mr. Di Santo: My friend the member for Niagara Falls says I am wrong; maybe I am.

Let us see what none other than Gerald Bouey says. He was speaking to the Canadian Chamber of Commerce, which is not a Socialist crowd, a civil service crowd or a workers' crowd, but all most respectable Canadians, dressed in blue or grey. He said, "Rising prices are still a matter of great dismay." Then he said he recognized that mortgage costs were up 23.9 per cent and were higher last month than they had been a year earlier, that gasoline prices were up by 18.9 per cent, car insurance by 30.2 per cent, local transit fares by 22.6 per cent and energy prices by 17.6 per cent.

It is ironic that when we talk of controlling prices, the Premier, as he often likes to do, says, "The free forces of the free market are slowing all over." We can then justify why prices should or should not or can or cannot be controlled. But when we are talking of mortgages, we know very well they are not the result of those abstract forces in the free market, they are the result of the public policy of the government of Canada.

When we talk of gasoline prices that increased by 18.9 per cent, we are not talking about the forces of the free market; we are talking about a

price imposed on the citizens of the country by the government. Whether it is through an agreement between the governments of Canada and Alberta, or whether it is through the legal robbery by this government by its ad valorem tax on gasoline, it is a price imposed on citizens by legislation in Parliament through a decision of the government.

4:20 p.m.

When we are talking of car insurance costs that increased by 30.2 per cent, we are talking of administered prices that are regulated entirely by the government. When we talk of the price of energy, we are talking about prices imposed by the government. But then look at what the Premier of this province said when he was asked, "Since you are curbing the wages of the public service, will you also curb Hydro rates?" In reply, the Premier indicated, "The province is unlikely to impose a six per cent ceiling on Ontario Hydro rates in this next year." I am quoting from the *Star*.

The paper said: "Hydro is in an entirely different position than Bell Canada, the federally regulated company Ottawa is restricting to rates of six and five per cent over the next two years," Davis said in an interview yesterday. "Hydro is a nonprofit corporation. If Hydro spending is not met totally from its revenues, it has to borrow."

This is the greatest discovery of the century. Probably the Premier does not understand that if a family cannot get enough income, then either it has to borrow or it has to suffer the consequences. That applies to individuals and it applies to the incomes of the citizens; it never applies to the friends of the Conservative Party.

Speaking to the chamber of commerce in Ottawa, to that respectable crowd, Mr. Bouey said: "Well, we had no choice. Since cutting pay demands was the easiest thing to do and was the only thing we could do easily, that is why the government opted for curbing the wages of the civil servants and the wages of the other public employees." This proves to me that there is a total lack of direction on the part of the government in the way to fight for economic recovery. They are totally lost, faced with a situation they never had to face in the past.

I came to this country some 15 years ago today. I am glad to announce that the plane that took me to Toronto came in at five o'clock, half an hour from now, 15 years ago on October 7, 1967. When I came to Canada, like many other people, I came to a country with immense natural resources, with an immense territory

and in which I think many people feel there should not be restraints in physical terms.

I know, Mr. Speaker, since you are a very learned person and have travelled widely abroad—

Mr. Samis: All the way to Pickering.

The Deputy Speaker: Oshawa.

Mr. Di Santo: In your visits to European countries you have seen that the cities are built in a different way because there is not so much space and houses cannot occupy lots as big as ours. Actually, the whole lot is occupied by the building itself. In Canada we do not have that problem. We know we have an immense reserve of territory and immense natural resources. Therefore, we feel unrestrained. Today this bill goes against that way of thinking, that way of being ourselves in our country. This is another reason I think this bill is an unnatural emission of a way of thinking that is contrary to the history of this country.

Interjection.

Mr. Di Santo: My friend the member for Cornwall (Mr. Samis) suggests that it is certainly an anti-Conservative bill. We know the stomachs, if not the brains, of many members of the Conservative caucus are boiling. I know what pain many of them will have when they have to vote for this bill. I think of the member for Leeds (Mr. Runciman), a free enterpriser who is against interference in the private sector. How can he vote for this brutal interference in the free bargaining process that is part of the process that is accepted also by free enterprisers? This bill is opposed to the way of thinking many people in Canada have been brought up with.

If the bill was only introduced for political reasons, it could be understood. In fact, the president of the Canadian Chamber of Commerce felt the need to remind the federal Liberals that if they were using the six and five solution for the benefit of the Liberal Party, then perhaps the private sector would not be as supportive as it had been when the program was announced. I remember very well the night the program was announced, the chairman of the chamber of commerce, Mr. Sam Hughes, saying how elated he was because the public sector had been axed and how the fortunes of the Canadian economy would flourish because of that decision.

We know very well there were political reasons for the introduction of the program. The reasons were outlined, before the program was announced and before Bill 179 was introduced in the Legislature, in the *Toronto Star* by

a conservative commentator, Jack McArthur. He asked: "Should wages be controlled by law while prices are left largely uncontrolled or at least less controlled? Should companies be freer than workers to try to raise their incomes to keep up with inflation?" Then he said: "We cannot be sure because, judging by Ontario's venture into partial wage and price control, it is hard for government to admit it. We cannot be sure because the province talked a good fight about pressure, but it is likely that the program will be tough on wages and soft on prices."

Jack McArthur was writing before the bill was introduced, before the government had announced its program of restraint, while the government had three months from June to decide and while the Premier was at his cottage cutting grass and thinking about the economy of the province. Even then Jack McArthur thought the program would be hard on wages and soft on prices. He said:

"As we talk about the six and five program, the province wants personal incomes to rise much more slowly than inflation. That is the only quick way of making much impression on rising prices and costs. In contrast, there is probably little concern about putting the heat on prices and corporate profits. In fact, Ontario no doubt"—and I want to emphasize this—"wants industry to believe that it has no real objection to higher profits, but it must at least pretend to slap some kind of price controls on provincial agencies and companies regulated by the province and to half imply that other companies also should restrain themselves. This gives the appearance of being in parallel with the five per cent limit imposed on the pay gains of provincial and municipal employees."

Chairman Keith Davey said, "We must create the impression of economic progress."

4:30 p.m.

Mr. Conway: Mike Cassidy wrote much more interesting memos about rent control, but that is another story.

Mr. Di Santo: Mr. Speaker, does the member for Renfrew North (Mr. Conway) wish to raise a point of privilege or something?

The Deputy Speaker: No, he was just interjecting.

Mr. Conway: I have to speak after you; so I want to get the benefit.

Mr. Di Santo: Mr. Speaker, my friend is not noted for brevity himself. He must bear patiently with me and wait until six o'clock or maybe even

later. After supper we can start again refreshed, and by 10:30 I can invite him for a drink.

In the meantime, as this a very important bill, and I suffer very much when I am interrupted, because it is very difficult for me to concentrate. Mr. Speaker, I know you will appreciate that the approach of the government is so confused that to try to rationalize and justify what they have done and to try to understand why they have done this is very difficult. It is a difficult task for anyone, and especially for me.

Interjection.

Mr. Di Santo: Every interjection costs me a growing pain, because I have to reorganize my way of thinking.

Chairman Keith Davey said, "We must give the impression of economic progress." According to Jack McArthur, the program that the provincial government has introduced must at least pretend to slap some kind of price controls on provincial agencies and half imply that private companies also should restrain themselves. As he says, "This gives the appearance of being in parallel with the five per cent limit imposed on pay gains of provincial and municipal employees."

There is no sense of justice, of fairness or of honesty; the government's approach is just to give the impression, to pretend and to half imply that other companies should also restrain themselves.

In his speech to the 2,200 faithful Conservatives who participated in the \$200 fund-raising dinner yesterday, the Premier warned the private sector that it should consider putting restraints on itself. He did not say, "I want you to restrain yourself and cut your prices the way we are cutting the wages of the public employees." He just gave the impression and half implied that the companies should also restrain themselves.

On one hand we have this arbitrary legislation that axes the salaries of public servants, and on the other hand we have this dishonest approach that tries to convince the people that the private sector is also bearing some of the burden when the policy-makers are convinced that this will not happen. In fact, I wonder what they say in their private conversations at the Albany Club. Do they say: "How can we best deceive the public? The public wants controls; so let's give them the impression that we will also control the private sector, that the private sector will bear its fair share."

Mr. Philip: I wonder if this Speaker paid \$200 for a veal cutlet the other night.

The Deputy Speaker: No comment. This is not question period.

Mr. Philip: He doesn't look like somebody who would have \$200 either.

Mr. Di Santo: Jack McArthur goes on to say: "Put your money on this. However the policy is dressed up for the public, Premier William Davis wants to be sure he doesn't frighten businessmen. He feels that would hurt us all by scaring off new investment, new production and new jobs. This 'probably' false front of price control and guidelines makes the Ontario program confusing and less than honest in its presentation."

These are not my words. These are the words of a conservative commentator who thinks the same way as members of the Conservative Party, who belongs to the same school of thought, who goes the same way and rejoices with them when the fortunes of free enterprise are booming. He says Premier Bill Davis wants to be sure that he doesn't frighten businessmen; however this policy is dressed for the public, he does not want to scare his friends.

Price control is a false front and the guidelines make the Ontario program confusing and less than honest in its presentation. We know that. That is why we are here and why we are making a concerted effort in this debate. That is why we want the public to realize that this is not an ordinary bill, hastily introduced and debated and then shelved. This is a very important government policy decision contrary to the interests of the majority of the people of the province, not only the 500,000 people affected by the legislation. Therefore, the public must realize we are faced with an arbitrary government.

To quote a person I usually do not quote, the controversial candidate in Broadview-Greenwood, Peter Worthington, this is a democratic dictatorship. This is the result of a dictatorial governmental decision which will affect people while denying them recourse. Before the last election, the Premier never mentioned he would introduce controls.

As late as last spring he said: "As long as I am Premier of Ontario, I will never impose controls because they are not necessary, because they are discriminatory. I will never impose controls on civil servants." That is what the Premier said and, of course, we now have this legislation. And that is why people like Jack McArthur, a

conservative writer, say that this program is less than honest.

4:40 p.m.

Jack McArthur goes on to make what I think is a very interesting comment. He says: "It would be better, if politically dangerous, to explain why prices don't need curbs this time around." I think he is right. If the government came to this assembly and to the people of Ontario and said: "Listen, prices do not need curbs at this time." For what reasons I do not know, but probably the government should have some justification in view of this piece of legislation, the government could have at least justified its actions by saying, "We think that prices do not need controls for many reasons." And then they could find excuses. They find excuses every day; I do not have to make up excuses for them.

They could have said the world market for resources is soft, nickel is not selling, iron is not selling, raw materials are not selling, pulp and paper products are not selling, and therefore there is no need for controls on prices.

But they did not even try to justify it. They are trying to deceive the people by saying, "We will control some prices," which I know we will not buy and they know we will not buy it. They only rely on the people, because they have a very low opinion of the public of Ontario. They really think people are gullible and that this bill is a disguised way of controlling prices. They know very well that the people will not buy that, because prices will not be controlled.

Jack McArthur says what in his opinion could have been the government's justification for saying publicly that they did not think it was necessary to control prices at this time. He says the reasons are, according to him, falling profits, prices having levelled and the world market. Then he says: "The truth is that Premier Davis and almost anyone interested in economic survival wants profits to rise from their abysmal lows. That demands that any legal prices have to be, shall we say, flexible."

I do not know whether the Premier thinks profits can rise by curbing the wages of 500,000 people in Ontario, by saving \$420 million; which as members knows will be the optimal result of the bill if everything works according to the forecasts of the Treasurer and the people in his ministry.

I do not believe the problems of the economy in the province are that simple; I believe the world is much more complex. If profits are down, it is not only because wage increases have

been too high in the past, because historically we know very well that wages in both the private and public sectors have not increased in the same way as inflation in the past five years.

We know very well that we have problems in our economy that are not cyclical; they are problems that are structural. We have a crisis in the automobile industry which has nothing to do with wages. We know very well that the last contracts at General Motors and Ford were settled at way below the inflation rate. We know very well that last year when Chrysler was on the edge of bankruptcy, the workers made a concerted effort and helped to refinance the company.

We know that the crisis in the automobile industry is not a crisis that has been brought about by increased wages. On the contrary, it was the price structure which resulted from the greed of the American manufacturers who have dominated the market for so long, virtually without competition, and by the way they treated the consumers in the North American market.

The American car manufacturers thought they would dominate the market forever and could impose any kind of junk on the consumer and that the consumer would buy. When they were confronted with stiff competition from European, and then increasingly from Japanese car manufacturers, they did not know how to react. Now they are trying to retool their factories and are faced with the very tough proposition that it will take a long time to reconvert the old industry.

All that has nothing to do with wages. Therefore, if the government and the Treasurer think that profits will rise immediately by curbing the wages of civil servants, they are wrong.

Jack McArthur made some predictions on how the government would behave. He wrote, "It seems there will be no high-powered campaign to persuade uncontrolled companies to volunteer for no more than five per cent." We know that. We know that while the government is spending huge amounts of money in its advertising campaigns for everything and anything under the sun, inviting people to vote, inviting people to buy products that are not made in Canada—even though the campaign is supposed to be a buy-Canadian campaign—it will not wage any campaign to persuade its friends.

Then McArthur explains how it controls some government agencies and regulated companies to be operated by a cabinet committee instead of the anti-inflation body created for the

administration of this bill. We understand why. I will explain why the government has chosen the route of putting a committee in control of government agencies and regulated companies: it is so that the operation will be run in the secrecy of a cabinet room where the public will not know why the decisions are made; and they will be handed the final resolve in the hope that nobody will complain or react to whatever decision the government makes.

Finally, he says: "Some of the alleged five per cent ceilings on price increases may be much more than that. Corporations will be allowed to pass on certain rising costs by adding whatever is necessary to their prices, if the market permits."

They get special freedom to try to keep up with inflation. We know that. I do not think we needed a Jack McArthur to tell us that the government always operates that way. It will allow the companies to pass on the hidden costs to the consumers.

4:50 p.m.

The Premier said Hydro must have that freedom, because otherwise it has to borrow on the market. We know what happens with rent review, that incredible farce that has been imposed on the tenants of Ontario. Landlords can pass on to the tenants every possible cost. If you have ever been at a rent review hearing, Mr. Speaker, you will know that you would think you were reading one of Kafka's novels. Usually, there is a group of tenants who are, in many cases, not experts, not knowledgeable about the act. They know only that the landlord has requested an increase of 27 or 30 per cent in their rent; or as in a case in my riding, on Trethewey Drive, a 57 per cent increase. They think the law provides that they must pay only a six per cent increase. The member for Oshawa agrees with me.

Mr. Breaugh: Of course.

Mr. Di Santo: They go to the hearings, they are confronted by landlords, accountants and lawyers who try to make the case that the landlord can pass all kinds of costs on to the tenants. What happens to tenants who have seen their building sold and resold several times in the last few months? They do not understand why, all at once, there is a fever on the market for their building.

In an excess of generosity, one Cadillac Fairview building was sold for \$1. The tenants cannot understand why such a huge building is sold for \$1. They go to the hearing and think the

commissioner will ask them, "Do you agree to accept a six per cent increase, which is required by the law of the province?" They find that building, which was sold for \$1, has been refinanced with a mortgage of \$4.5 million, they think quite ingenuously—ingeniously; ingenuously.

If I may digress for a moment, I had a conversation with my friend the member for Nickel Belt (Mr. Laughren). I asked him if there is a word in the English language that I do not know very well, "ingenuous." He told me there is a word "ingenious," but I really meant "ingenuous." That is what I mean today, even though my friend the member for Cornwall (Mr. Samis) is hinting that I should say "ingenious." I really mean "ingenuous."

The Deputy Speaker: Will you be deducting time off your speech, now that the member for Cornwall has interjected?

Mr. Samis: This is better than having a thesaurus.

Interjections.

Mr. Di Santo: As I was saying, tenants, naïve as they are, do not understand why their building has been sold for \$1 million and refinanced for \$4.5 million. All of a sudden they learn from the commissioner that the new owner of the building actually can add to their rent 85 per cent of the new mortgage. Then they realize what a farce it is.

When the legislation was passed initially there was a minority government, and when the Premier almost lost his skin in 1975, rent review was introduced to put some controls on rent. But now, after the reality of the March 19 election, it has become a farce and rents are going up every day. We know that the average increase in rents in Ontario has gone much above six per cent.

The same will happen with prices, not because Jack McArthur said it but because we know that the government, with its regulations, will find a way to allow companies to pass through all kinds of costs we are not aware of. These will surface, the companies will increase their prices and the government will not react because they know they have to protect their friends.

This is not all that happens with Bill 179. I mentioned what has happened with rent review, and I can mention the Workmen's Compensation Board. We do not know what will happen there. I was eager to hear from the government benches about the fact that the bill also provides that, by regulation, coverage may be extended

to include employees of other public organizations or other compensation plans in the public sector. We have not yet received an answer as to whether the benefits of injured workers with temporary or permanent disabilities will be covered by this bill.

We are very familiar with the way the government operates in these cases. We have a law, and then in the administration of the law the government finds a way to protect their friends. That happened three years ago when the government wished to reduce company contributions to the compensation fund for injured workers. Our critic of the Workmen's Compensation Board at that time was the member for Dovercourt (Mr. Lupusella). He waged a valiant and powerful campaign against the Minister of Labour in an effort to get some justice for the injured workers, and the government appointed a commission to conduct a study.

After the study was finished—and, of course, the government did not reveal the results until several months later—the government reduced the fees paid by employers. If I remember correctly, and my colleagues can correct me if I am wrong, the government said there was no need at that time for any increase in company contributions because the actuarial position of the Workmen's Compensation Board was sound and they could afford to pay higher benefits without aggravating their friends.

5 p.m.

In fact, our so-called sound policy was revealed in the past few weeks when we were participating in the work of the committee on the Weiler report and the white paper on worker compensation. We learned that the Workmen's Compensation Board fund is in such bad shape that there may be a need for an infusion of public funds to supplement the fees paid by employers.

At this point I do not know whether Bill 179 will also cover injured workers and recipients of Workmen's Compensation Board benefits, but this proves what Jack McArthur was saying, that, as happened in the area of rent review, when the government comes to the determination that it has to protect some of its friends, it does so by regulations, by ways outside public control. That is another reason we are staging this strong opposition to the bill.

Incidentally, if the government is going to impose restraints on the benefits of WCB recipients, I believe it will be making an incredible mistake as well as perpetrating an incredible injustice. Mr. Speaker, you know better than I do that the minimum total disability pension is

only \$686 at present; that is for people who are 100 per cent disabled. You also know that the pension for dependent spouses is currently \$492 a month. Without rent controls and with increasing prices for food, clothing and other goods, I challenge anyone to justify how a spouse can survive who in many instances has lost the family breadwinner.

I also challenge anyone to justify how it can be possible to impose restraints on this type of pension, which is recognized by everybody to be totally inadequate. Not only people on this side of the House and people in the labour movement, injured workers' associations, organizations and groups, but also Professor Weiler, the Ministry of Labour and several delegations that appeared before our committee, including employers' organizations, recognized that pensions to dependent spouses are totally inadequate and unfair.

Apart from the emotional implications, it is totally unfair to give only \$492 a month to a person who has lost the breadwinner in the family and thus has had the family's financial situation totally destroyed because of an accident. It would be a grave injustice if this type of benefit were to be axed because of Bill 179.

I must write that number down, because I have the initial draft without a number. It is just a bill with no number; that is the reason I initially said Bill 139.

Interjections.

Mr. Di Santo: Thank you. Those numbers are most confusing at times. I want to go to the second part of my speech, but for the benefit of my friends—

Mr. Allen: And that is everybody.

Mr. Di Santo: —and everybody, I should say that initially when I started talking I divided the speech into three parts. The first part was my understanding of the bill and how I understand the government's action. In the second part I will try to analyse how the government has rationalized its position and how it is justifying the bill. The third part will be why the government position is wrong, because it does not respond to the situation it is trying to correct, and therefore what our position and our alternatives are.

At this point I am going to analyse the reasons the government has given to us and to the public of Ontario for introducing Bill 179. In order to do that we have to go back a little bit before the bill was introduced. We have to go back to

February, when the Premier took part in the first ministers' conference.

At that time the Premier made one of his statements, which was definite and unequivocal as usual. He said, "This government is opposed to the imposition of controls on the civil servants because they are discriminatory, they are unfair and we will not go for that." We remember when the Premier went to that conference. We remember when he went to a subsequent conference, when he went to Halifax, how enlightened his position was, what kind of leadership he provided with the positions he put to everyone.

I think this was summarized by Donato in one of his cartoons in the Sun, which portrayed the Premier of the province immersed in the smoke that was coming out of his pipe. The caption said, "Debts." That's the clear position taken by the Premier.

At the first ministers' conference in February, Ontario produced an economic blueprint. In brief, the Premier suggested his solutions, which were: first, reliance on megaprojects combined with infrastructure support in the anticipation of industrial spinoffs in Ontario; second, restraint in government spending and wage demands; and third, restoring investor confidence.

On the wage side of the equation, the Conservatives argued that linking wage settlements to increases in the consumer price index helps to spread inflation, and to break this link governments should give immediate consideration to incentive measures that would encourage employers and employees to adopt forms of compensation that are linked directly to their own industry's productivity and profit performance. However, on the investment side, they argue, the taxation of capital gains should be modified to ensure that only real gains after accounting for inflation are taxed.

5:10 p.m.

The immediate reflection on this position is that we can understand the Conservatives want to protect investments from inflation. They have said that time and again. Jack McArthur explained that in clear words in his article. They have to give the impression they are controlling prices. They want profits increased because they think that profits are very important in the economic development. It is their way of thinking, I understand that.

But they want to protect investment incomes from inflation. In fact, the Premier suggested that capital gains should be taxed only after having discounted inflation, while wages should

not be protected from inflation. It is a little bit difficult to justify, even for the Premier in his smoky way of expressing himself.

When I was reading the economic blueprint produced by the provincial government for the first ministers' conference—I must confess that even though they are not exciting reading I do read the documents produced by the provincial government—I was wondering if the Premier would have come up with the same idea of linking the wages of bank employees to profits when the profits of the banks last year were 50 per cent higher than the year before.

Can you imagine the Premier of Ontario speaking to the Canadian Bankers' Association and saying: "Well, my friends, the wages of your employees should not be linked to inflation, because inflation is dangerous. They should be linked to profits and productivity. Since you increased your profits last year by some \$1.7 billion, or 50 per cent, you should increase the wages of your employees by 50 per cent"?

That is a really ludicrous proposition when it comes from a government which historically was one of the leading governments in the nation, a government of a province which was simply the hub of the economy of the nation. The Premier knows very well that in past years wage increases in both the private and public sectors has been much lower than the rate of inflation.

If there is a justification for any employees to keep up with inflation, the justification is that the incomes of the people, of the citizens, are necessary for those citizens to buy the goods that are necessary to them: to pay for their houses, for taxes, for services that they use. Therefore, if inflation goes up too fast, in order to keep up to inflation they justifiably ask for an increase in their income so that their standard of living does not fall substantially.

We understand that. We also understand that in some exceptional circumstances we can ask the citizens to lower their expectations. But I cannot understand how the wages of workers can be related to two factors that are totally independent from them, that are absolutely out of their control: productivity and profit performance.

Productivity is dependent not only on the ability of the worker to produce goods but also on many other factors. It varies from one industry to another. For instance, Mr. Speaker, you know very well there are industries with very high labour content. In those industries, if we measure the productivity according to the

simplistic way of thinking of the Premier, only in relation to the ability of the workers to produce goods, perhaps we will see that productivity in those industries is very low.

If we take the industry with high technological content, like the microchip industry or the nuclear industry where the product per person is extremely high, and measure productivity only on the basis of the ability of the worker to produce goods, then the productivity is extremely high.

In both cases we can have people making the same effort, or we can have a case where a worker who is working in a very high productivity technological industry is making much less of an effort than a worker working in an industry with a high labour content, such as the mining industry or the construction industry, and we will see that the productivity of that worker is much higher; therefore, productivity is not only the result of the worker producing goods or work.

Also, the Premier implies something that is very typical of Conservative thinking, disbelief in the workers and scepticism about the honesty of the workers working very hard. In other words, the Premier suggests, even if not openly, that unless the workers work harder the problems will not be solved. As I said before, productivity is not only linked to the ability of the workers to produce goods but to many other factors.

For instance, my friend the member for Cornwall knows there are textile industries in his riding that have been in existence for years. A few years ago we visited a clothing factory and I was absolutely shocked to see that company has been in existence since the late 1920s and virtually has not produced one single technological change in the plant.

What is the result? The workers can work as hard as they want, but when the companies come to compete with more modern industries, even in the United States, which was their traditional market, they cannot compete. Then they accuse the workers of being lazy, of not being productive, of having low productivity. This is a clear example that productivity is not the result of what workers can do with their hands, but a more complex problem.

We can see the same in the electronics industry. It is a sad commentary for those Canadian entrepreneurs who were able to develop a very sound microelectronics industry in the last few years, starting from scratch because there was no tradition in Canada and there was

and is no public policy in support of research and development in the area to support investments in the sector.

5:20 p.m.

It is a sad commentary for those people who were able to build a sound industry. Now they are faced with the second stage, when they have to operate in not only the Canadian market, which geographically is a big market but it is still a small market when they have to operate in the world market, and they do not have the support they need because we do not have the instruments.

The public policy in Canada has been one that has protected the industry behind the tariff barrier in Canada but has been unable to inject investments into the export industry so that our exporters could operate in the world market and become competitive with other industries. In fact, we know that the Japanese, after having made gigantic steps in the automobile industry and the mechanics industry, are now directing their efforts into the electronics industry.

They are investing, in the next two or three years, some \$500 million in research and development and export incentives, which, in an assessment made recently in the Canadian press, brings us to the conclusion that three or four years from now a number of our microelectronic industries that have flourished in the last few years will be faced with such tough competition they will be unable to compete on the world market.

At that point, I do not think anyone can accuse Canadian workers of being less productive than Japanese workers, or Canadian companies of having a lower productivity than Japanese companies. As I said, the workers are one element of the total picture and by singling them out, as the Premier did in his economic blueprint, and asking them to base their wages not on the inflation level but on productivity and profit performance, the Premier is proposing something that is unacceptable to the workers and the employers.

If we were to apply the same reasoning to the banking system last year, then all bank employees should have received wage increases of 50 per cent. That does not make economic sense at all. It is extremely difficult to justify the position of the government that says, "Okay, let us protect investment incomes, let us protect the incomes of the companies from inflation, but let us not protect the incomes of the employees from inflation."

I think that not only from an economic point of view but also from a human point of view it is

difficult to justify asking people to lower their expectations and standard of living while at the same time the government builds a tower around the companies and protects their incomes.

I know why this is happening. In a perverse way Bill 179 is the final result of a design that is much wider, that goes far beyond the civil servants and the other public employees. Bill 179 is only one element. We know that in this country we are faced with a rationalization of the capitalist system. Both the federal and the provincial governments are asking the people to pay for that rationalization while at the same time they are protecting the interests of the big corporations, which will eventually come out of the recession stronger than before with the labour force weaker.

Eventually they will deal with the workers, when the recession is over, from a position of strength and will impose their conditions on the workers, which means lower wages and higher profits for the companies. Bill 179 is one of the elements of that mosaic.

The fact that the government is very willing to axe the public employees, while at the same time it is very anxious to protect the interests of what it euphemistically calls the private sector, is proved by the latest events that have seen the rescue of the Dome Petroleum operation. We know that Dome had a huge deficit of \$7 billion, and the government and the banks have rescued Dome.

Yesterday the chairman of the Canadian Imperial Bank of Commerce said: "The common shareholders should get down on their knees and thank God that we came to an agreement. If we hadn't done this, their shares would have been worthless now." Then the *Globe and Mail* says, "In fact, Dome's shareholders should be joined on their knees by the shareholders of certain banks, including the one that employs Mr. Harrison." Mr. Harrison is the chairman of the Commerce. "Few home owners who lose their homes because they cannot keep up the mortgage will be so kindly treated."

Then it says: "Ian Sinclair, chairman of Canadian Pacific Enterprises"—and the chairman of the federal agency monitoring the controls—"and the government's top corporate ally in selling the six-five program, went to essentials when he said: 'In principle I would not be supportive of government overcoming the mistakes of lenders or of shareholders. Now in the Dome situation it may be a pretty good deal for the government; to pick up Dome at \$2.50 a share seems to me like not a bad deal, and I was

happy to see that existing shareholders were able to get in on the same basis as the government. Now, having said that, it simply is an interference with the normal operation of the marketplace, and in that sense I am sorry that it took place.”

5:30 p.m.

The *Globe and Mail* said that few home owners would have the same treatment from the government. We know that. We know how many people are losing their houses because of interest rates. Bill 179 does not address this problem at all. But, regretfully, in the case of the private sector it is all right for the taxpayers of Ontario to infuse \$500 million.

We have seen that time and again. When Chrysler was in trouble, the government stepped in; and also when Ford was in trouble and wanted to build a new plant. The members will remember that the then Minister of Industry and Tourism (Mr. Grossman) tried to bribe Volkswagen to build a plant in Barrie. The government offered more money than they actually asked for.

We see the federal government going to the rescue of Dome Petroleum. Federal Minister of Energy Jean Chrétien felt it was important to say that Ottawa was forced to participate in the rescue but that the government does not want to control Dome.

This is the basic philosophy behind Bill 179 and the economic policy of this government. It is okay to spend public money to rescue the corporate bums of the nation. It is okay to rescue companies like Dome Petroleum, which last year anyone reading the *Globe and Mail* business reports or any other economic report would have gathered seemed to be one of the gigantic companies of this country, successfully merging with and absorbing other companies without any control at all.

In this country there is no control on investment. Capital moves freely and can go wherever the private sector decides it should be invested. But when they make a mistake, when the investment goes wrong, when Dome Petroleum is faced with bankruptcy, where does it go? Does it go to the private sector to be rescued? No; it goes to the public, to the taxpayers of Canada.

Mr. Haggerty: They were following the policy of Saskatchewan. They were doing that for years.

Mr. Di Santo: I suspect the member for Erie has come up from a deep sleep and was not

following what I was saying. If he would have the patience to listen to me—

Mr. Haggerty: The member is driving me to sleep.

Mr. Di Santo: —I will summarize my argument for his benefit.

I was saying that in this country investments are decided by the private sector. But when we are confronted with the banking system—which is a typical example of what the economists define as an oligopoly; not a monopoly but a monopoly of the few. The Greek word “oligos” means “few.” Therefore—

Interjection.

Mr. Di Santo: Does the member for Burlington South (Mr. Kerr) want to make a point of clarification? No, he does not want to make any point. He will vote silently for this bill, even though he is against it. I know many people in the Conservative caucus will do the same. Really they disagree, because their philosophy is against controls, but no one will dare to challenge the order of the boss, and they will all vote supinely together, like a spineless herd.

If I can be helpful to the member for Erie, I was saying that investment decisions are made by the private sector, which uses the savings of Canadians in a way that is not at all controlled. In fact, capital is never controlled in this country.

Last year, Dome Petroleum was involved in several mergers involving billions of dollars. If the member for Burlington South was consistent, he would agree with me that in a free market, since last year Dome Petroleum made some decisions that went wrong, now they should suffer the consequences. I say they should not suffer the consequences, but he agrees that civil servants should be punished without any responsibility.

Mr. Kerr: The public will suffer if Dome goes under.

Mr. Di Santo: At this point, I fail to understand that logic. I do not understand how last year Dome Petroleum made wrong economic decisions and wrong investments, but the public should rescue them, the government should rescue them; while the public servants, having signed a contract with the government of Ontario, without being at fault should now be punished.

I wish that the voters in Burlington South could hear what their member is maintaining in this chamber, and I wonder how he could justify himself in any logical way.

Mr. Kerr: It's easy.

Mr. Di Santo: He is right. In Conservative terms, logic is not important; perceptions are important and do not follow logic.

That Dome Petroleum was rescued is bad, but it is even worse that faced with—

Mr. Kerr: It is ours.

Mr. Di Santo: It is not ours; the federal Minister of Energy said today, “We have no intention of controlling Dome Petroleum.” That is what he said. It is on page 6 of the *Globe and Mail*, the editorial page.

But it is accepted that must happen. It happens all the time. When Chrysler was in trouble, it was rescued. It does not happen when a citizen is faced with the same situation. In fact, the *Globe and Mail* says pointedly that no home owner is treated like Dome Petroleum. If a person who bought a house five years ago was faced—

Interjection.

Mr. Di Santo: Mr. Speaker, I want to ask the member for Burlington South, if he has to interject would he do so loudly so that I can hear him.

I can understand that he will vote for this bill even though he does not agree with it. But an interjection is not a statement of principles. He can at least interject loudly; he does not have to mumble interjections because nobody will condemn him for saying something during the debate.

5:40 p.m.

I was saying that Dome Petroleum was rescued and describing the way it was rescued, with the government making it clear that, “We will give you the money but we do not want to control you.” I do not understand why. It is not normal practice. I have never seen anybody in the private sector investing money and saying, “We will invest our money, but we do not want to control you.” It is normal, common practice that if one buys the majority of shares of a company, one acquires control of that company. But not the government; it must give the money and actually it must thank Dome for having made mistakes and having mismanaged and squandered billions of dollars. That is bad.

I have to quote a newspaper I usually do not quote because it gets to my stomach. We are talking of controlling the wages of people who make as little as \$10,000, and people who work at switchboards for \$15,000 or \$16,000 as public employees. The *Sun* today says, “Dome Petroleum, the beleaguered oil company that is now virtually government property”—without being controlled,

according to Jean Chrétien— “after being in hock some \$7 billion plus and threatening to send our banking system into receivership, is very generous to its senior executives.

“Its senior executives get raises that are mindful of the national budgets of some Third World countries. Imagine the president of this oil company that can’t find oil getting a 100 per cent increase last year to \$400,000 annually, plus fringe benefits that amount to an extra \$100,000.” That is a 100 per cent increase in a company that is bankrupt. “Some vice-presidents of the company got”—more modestly— “50 per cent increases, which amount to \$150,000 to \$180,000. Bizarre, yet typical of when government is involved in the private sector.”

The *Sun* says it is typical when government is involved in the private sector. In fact, it is typical of this government when it gets involved in the private sector. We have seen that with Suncor, when the government bought shares but did not buy control of the company. We have seen this with Dome Petroleum—and this is not to save a Canadian company, we know that.

The *Sun* says the rescue operation has saved the banking system from going into receivership, and that is the truth. The banking system made incalculable mistakes by lending money to Dome Petroleum and to other companies—which were doing what? They were speculating on inflation because they thought the inflationary cycle would go on and on. Dome Petroleum last year acquired company after company because it thought they would prosper with inflation.

The banking system lent billions of dollars to those companies that were speculating on inflation. Now they are in trouble and now they come to the crunch. They are on the brink of bankruptcy for \$7 billion plus. And what happens in this beautiful country? The government rescues the banking system, those who have made the biggest mistakes. The government of Canada comes to the rescue of Dome Petroleum, those who have been speculating on inflation. Then what do they want? They want the public service to be curbed, to take a pay reduction to help solve the problems of inflation. Is that not beautiful?

When the government talks of public acceptance of this program and relies on the passivity of the public, it does so with a guilty conscience, because it knows what it is doing is basically dishonest and against the interest of the Canadian people. In the long run it will show. In the

meantime, they are selling a situation that in the short run will perhaps save them financially but will in the long run be detrimental to the economy of this country.

We have seen this on the horizon for the last three years. This province, which for many years has been the hub of the economy of the country, the toast of the nation—because when Ontario was healthy Canada was healthy—in the last two or three years has had the lowest economic growth rate in Canada despite what the government says and what the Treasurer says to justify the bankrupt policies of this government. We have been the last province in Canada.

Look, sector by sector, at where our strength has been in the past. The manufacturing sector is a total disaster. The government knows this very well. If it does not, I think it is totally out of touch with reality. They know that some Canadian industries disappearing from the manufacturing sector may not come on stream again. Many branches shut down because of rationalization by the multinational corporations will not come back again.

Seven or eight years from now, in 1990, when the General Agreement on Tariffs and Trade comes into effect, it will no longer be convenient for American companies to locate in Toronto. The tariff barrier will be lowered by 40 per cent. If the cost of labour and other conditions are comparable, it will be more profitable for many companies to produce in the United States and export to Canada. At that time, I will want to see what this government will tell us. We will be faced with an industrial sector that cannot be rebuilt overnight. We will be faced with an economy that will rely essentially on dwindling national resources.

Even national resources are not infinite or eternal. We know very well what is happening in the forest industry. We were convinced—I must say I was—that our forest industry was almost inexhaustable. It is a renewable resource, and we have such vast territories that we probably felt we would never see the end of our forest industry.

Mr. Stokes: Only if it is managed properly.

5:50 p.m.

Mr. Di Santo: But we know very well that it has not been managed properly. The interjection by the member for Lake Nipigon reminds me of the visit we made a few years ago in his riding to an area that was being cut at that time. A forester told us, "I do not care if there are

people from the Ministry of Natural Resources, I think the management of our forests in Ontario is criminal."

I am not an expert by any stretch of the imagination, but I was totally shocked when I saw the way trees are cut. We know that methods of selective cutting are used in other countries with large forest reserves, such as the Scandinavian countries. I was also shocked by the methods used for reforestation. Now, after so many years of the mismanagement which has been referred to in the House frequently by the member for Lake Nipigon, the government comes to us and tells us we should proceed with reforestation.

I remember, I believe it was in 1977, what happened to the present Treasurer. The Premier had announced his reforestation policy and the Treasurer, then Minister of Natural Resources, said, "We will not replant one tree for one tree cut, we will replant three for one." Many people laughed at the time, but now we realize that the situation is very serious. The forest industry is another industry which will create very serious problems for the economy of the province a few years from now when Ontario will for the first time in history be an importer of wood. That certainly does not reflect favourably on the ability of this government to manage the economy of the province.

With this bill the government is trying to make us believe that if we curb the wages of 500,000 public employees in this province we will fight inflation. That is not true, of course. They know it is not true. They say we will help to rebuild the economy, that we will have recovery. I am convinced they know better than I that that is not true.

As I have already mentioned, the Premier said yesterday that not one single job will be created. The Treasurer recognized that yesterday when he said that joining in job creation programs with the federal government was a good idea. If was not such a sad state of affairs, it would be laughable that the Treasurer, after so many months, has not a single idea on how to create jobs but relies on a program so vague that only God knows if it will ever materialize, or if it ever will be defined. Of course, he did not elaborate last night when he was asked.

How is it that when he introduced the budget he was so sure, he was so euphoric, that in the second half of the year there would be a turnaround in the economy? I wonder whether the Treasurer when he speaks on this bill will explain to us on what his forecast was based

when he presented the budget in May. He said categorically that in the second half of the year there would be a turnaround in the economy. Of course, he was wrong then and, if history had ever taught us something, then the Treasurer would know—

Mr. J. M. Johnson: Has he lost his place? Is he going to start again?

Mr. Di Santo: I did not expect the member for Wellington-Dufferin-Peel to understand what I was saying because I know it is difficult for him to understand. He understands only the orders that come from his boss and he will faithfully vote the way he is told to vote.

I was saying that the Treasurer said last spring when he introduced the budget—and the member may go into his office and read the budget—that in the second half of the year there would be a turnaround in the economy.

Now, in the second half of the year, I want to remind the members that we had the last slam in the economy. We lost six per cent of the gross

national product in terms of growth. We lost more jobs in the second half of the year than in the first six months of the year. The Treasurer was wrong then. I was saying if history teaches us anything, then perhaps the Treasurer could consider that, even with this bill, he may be wrong. Before we go ahead with the discussion, he should consider and withdraw the bill because this bill will not help to solve any problems.

After the dinner recess, I will attempt to prove to the Treasurer that the five reasons I understood were behind the bill, to justify the bill, were wrong. I will try to do that, but it being six o'clock, I would like to adjourn the debate.

The Deputy Speaker: I think you just sit down. Are you going to continue on at eight? Fine. Why don't we just say you will continue on then. You do not have to move the adjournment of the debate as you will be back on at eight.

Mr. Di Santo: Yes, I will be back at eight.

The House recessed at 6 p.m.

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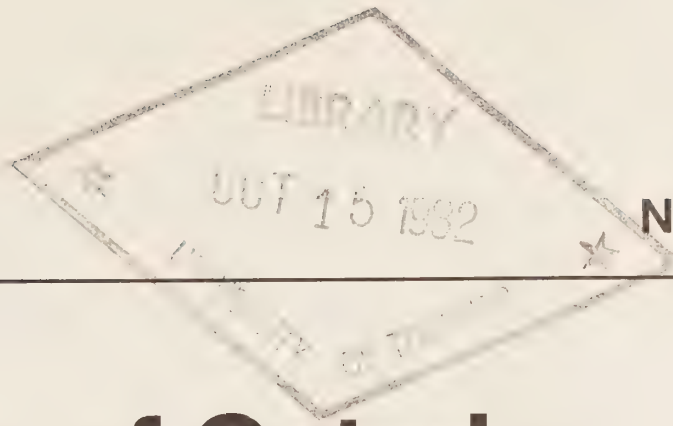
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No. 114

Legislature of Ontario Debates

and proceedings of the Legislative Assembly

Official Report (Hansard)

Second Session, Thirty-Second Parliament

Thursday, October 7, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 7, 1982

The House resumed at 8:02 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Di Santo: Mr. Speaker, at the end of the sitting this afternoon I was saying that the government has not been able to make a good case for Bill 179, and I was trying to justify that action for it. I was thinking aloud to try to justify the reasons it introduced the bill. I could not come up with any good reason, but for the benefit of the assembly I want to give the reasons mentioned by the Treasurer (Mr. F. S. Miller) when he introduced Bill 179.

The first reason he mentioned was—and I will quote from a speech the Premier (Mr. Davis) made in Halifax and which he repeated in this Legislature in September, and therefore I assume it is the position of the government:

“Public sector cost reductions can be passed through to the private sector through the tax system and through other charges for government services. These reductions alone will have a significant impact on the performance of the consumer price index and will contribute to reduced inflation in the private sector.”

That is a quote from the speech the Premier made at the first ministers' conference in Halifax and repeated in this Legislature on September 23.

If we look at it objectively we can all see that there is no evidence whatsoever that public sector cost reductions that are passed to the private sector will have a significant impact on inflation. In fact, the assumption that the private sector has borne public sector costs in the past is not true. We know it is more likely the general public, the family sector, which has borne those costs.

The Conservative budget introduced on May 13 in this Legislature increased personal income taxes but did not increase corporate taxes, they remain unchanged. If there is one sector that

has been burdened with the costs of the public sector, it is surely the public of Ontario, the individuals of Ontario, the families of Ontario, certainly not the corporate sector.

Remember that 20 years ago corporate income taxes made up 25.1 per cent of the provincial budget of Ontario. From individuals and families came 15.4 per cent. That was in 1962. From then until today, this Tory government has worked out a formula that has allowed its friends to escape the constraints of taxation, so that today corporations provide only seven per cent as opposed to 25 per cent 20 years ago, while the contributions of individuals have increased from the 15.4 per cent of 20 years ago to 27 per cent in 1982.

That does not include Ontario health insurance plan premiums, which are a favourite target of the Tory government. Of all the prices and costs which are regulated and subjected to restraint, OHIP alone escapes. This means individuals and families will be subjected to a further burden by this government.

Even if the percentage of corporate taxes is unchanged there is a further element, that of decreased profits, which will increase even more the public sector costs to be borne by the citizens of the province. In 1981, profits dropped 10.5 per cent over the previous year. In the first quarter of 1982, profits have fallen by 50.1 per cent.

Since this means the contribution of the corporate sector to the Treasury of the province will be massively reduced, somebody will be bearing the increased costs of the government—mainly the citizens of Ontario and certainly not the corporate sector.

The second reason given by the government for introducing this infamous bill is that there is a downturn in the private sector. In fact, the Treasurer of the province, in his statement in the Legislature on September 23, 1982, said:

“In the last year, the Ontario public sector saw an employment increase of more than 15,000 people almost entirely in the education and health fields. During that same period, the private sector saw employment drop by 82,000 jobs. When policy makers are faced with that sort of situation, I think their duty is clear. The program we

announced on Tuesday is a response to that situation."

Members may question the logic of this reasoning. I fail to understand the government's logic when it tells us it wants to come to grips with the economic problems of the province. I am more and more convinced that this government, used as it was to a situation of affluence and continuous economic boom—without any effort on its own part, because resources were plentiful and the economy was developing and growing despite the government—is facing these problems for the first time. It is a serious crisis, and with these economic changes taking place the government does not know how to deal with it; first, because it does not understand the situation; and second, because it makes no effort.

As I said in a jocular way yesterday, perhaps the Treasurer would be better to go back to selling used cars.

Mr. Laughren: He is an expert on odometers. He repaired them.

Mr. Di Santo: That was an extreme example of how this government and the banks deal with the economy of the province.

Mr. Stokes: Would you buy a used car from him?

Mr. Di Santo: The member for Lake Nipigon asks a very proper question. I would never buy a used car from the Treasurer.

Since I have in front of me the member for Elgin (Mr. McNeil), I want to mention in a friendly way an example that struck me. After the last election there was a proposal for development of 3,000 acres in Vaughan township. The staff of the Ministry of Agriculture and Food recommended against approving the development. Somehow, for reasons which probably will never be known to the public as long as the Tories form the government of this province, the then Minister of Agriculture and Food went before the Ontario Municipal Board and recommended the development.

When he was asked by the former Leader of the Opposition why he had given approval to a development his staff was opposed to, the minister said, "I sent Ronnie up to look at the land." When the member for Elgin was asked, "What was your assessment?" the member—waving his hands, which are not as big as the hands of the former Minister of Agriculture and Food—said, "That land was hilly and therefore not good for agricultural purposes."

That is the approach of this government to

economic problems. It is the attitude of a dilettante. This is a government which has been dealing with a situation of continuous boom for years and years and all at once it is faced with a thankless situation. Government members do not know where to put their hands and only hope that somebody will bail them out.

That is the bottom line of this bill. By producing this bill they hope to buy time, because in their thinking, for some strange reason that nobody has explained to us, the people of Ontario will blame the civil servants for the inflation we are faced with and they hope at some time there will be an upturn in the economy and they will be running the store again and the people will vote for them.

I said this afternoon, and I want to repeat it now, that the government is totally wrong, because these are very difficult times. They are exceptional times, as the Minister of Labour (Mr. Ramsay) has repeated in this Legislature in the past few days. He said that in principle, as a Conservative, he is opposed to controls but due to the exceptionality of the times we need exceptional measures and these are the exceptional measures that will resolve the government's problems.

I think the government is wrong. These are exceptional times that require not only exceptional measures, they require also exceptional people who are able to solve the problems. Unfortunately, the people sitting on the government benches are too mediocre to either understand the situation or try to deal with it.

Interjections.

Mr. Di Santo: I know the member for Scarborough-Ellesmere (Mr. Robinson) and the member for Ottawa East (Mr. Roy) are very anxious to speak, but I think it will be extremely educational for both of them to listen to my speech. They will understand why the position of the government is wrong and why the position of the Liberals, who are supporting the government, is doubly wrong.

Mr. Elston: You will understand why the posturing by the NDP will get them nowhere.

Mr. Laughren: It's called opposition.

Mr. Kerrio: Rae does not talk the same tune on the hustings as you fellows in here.

Hon. Mr. Ashe: Isn't that par for the course? The things they say and the things they do are always different.

Mr. Speaker: I recognize the member for Downsview who is going to address Bill 179.

Mr. Di Santo: Thank you, Mr. Speaker.

Mr. Laughren: Move over, George, let the alliance show.

Hon. Mr. Ashe: The things they say and the things they do are always different.

Mr. Laughren: As opposed to your free enterprise philosophy.

Mr. Speaker: Does the member for Nickel Belt want to trade places with the member for Downsview?

Mr. Laughren: Mr. Speaker, I could never fill his shoes.

Mr. Speaker: Then be quiet and let him speak.

Mr. Di Santo: I appreciate the statement made by the member for Nickel Belt because, in this party, one of the virtues is humility. This interruption has been quite timely because the member for Huron-Bruce (Mr. Elston) interjected by saying that is why the NDP is going nowhere.

If I had time I would explain to the assembly why that interjection is the result of a totalitarian understanding of reality which goes along with the same way of thinking as the government that introduced this bill. They feel that they are right and therefore there is no room for anybody else and either we do what they want or it is wrong. That is why the Liberal Party is making a mistake.

Mr. Kerrio: There is not much room for you, Odoardo, but just a little.

Mr. Speaker: Never mind the interjections. Get back to Bill 179 please.

8:20 p.m.

Mr. Di Santo: If the member for Niagara Falls wants to attack me on my physical dimensions, I give up.

Mr. Kerrio: I was talking about your party, not you, my friend.

Mr. Di Santo: I am soberly realistic, and if the member wants to discuss ideas, then I invite him to stand up in his place and discuss the ideas.

Mr. Ruston: You won't give us time to speak.

Mr. Di Santo: I am making a very serious effort with people like the member for Niagara Falls, who is a small businessman and who should share with the people in his condition my way of thinking. If the small businessmen are suffering today, it is because of the wrong policies of both the federal and the provincial governments. If he would use his brains instead of his partisan loyalty he would probably understand that we are the people who are saying the

right things, and he should join us.

Going back to Bill 179, the Treasurer, in his thankless task of trying to justify Bill 179, said the public sector is the one that has seen an increase of 15,000 people employed while the private sector has suffered 82,000 job losses, therefore, in his words, "This program is a response to that situation." As I said before in my preface, I fail to understand the logic this government is using, not only on this occasion, but in the way it deals with general economic questions.

I would like to ask the Treasurer, and I hope at some point he will be able to answer, if the public sector had not seen an increase of 15,000 people employed, does he not think we would have a higher rate of unemployment at this time? Am I wrong; or do I not understand the figures?

Also, that statement was made in this Legislature on September 23, 1982, and contradicts the statement he made yesterday, when, probably forgetting what he had said two weeks ago, the Treasurer said, "Yes, I am in favour of a job creation program as long as it is a joint program between the federal government and the provinces."

If the Treasurer was adamant in September against the public sector creating jobs while the private sector is losing jobs, why does he now want to spend public funds to create new jobs? Is there any logic in his position, or are we faced with a government that lives day by day with expediencies, trying to survive and hoping that somebody will bail it out at some time?

I think the Treasurer has not been able to respond to the questions we have been asking. It is the responsibility of the government to explain why it is axing the wages of 500,000 public employees, supposedly to solve all the economic problems, while at the same time the Treasurer does not know whether the public sector should be a vehicle to create jobs, and the next day he comes out saying it should be a vehicle as long as it is a joint effort with the federal government.

Since the 1930s we have known—and I do not want to repeat this because it has been said so many times—there is a role for the government, not only when it is called to bail out bankrupt companies like Dome Petroleum, not only when the so-called private sector, the capitalists of this country, the Conrad Blacks, abandon Massey-Ferguson because they do not know how to deal with a situation that is bigger than them—

Mr. Wildman: He got a good deal out of it.

Mr. Di Santo: He got a good deal out of it, but I also think we have known since the 1930s that there has been a role for the public sector in creating jobs along with the private sector. Everybody accepts that, and to perpetuate a myth does not do any good, not even for the government, because they have been involved time and again in the past and have even made colossal mistakes.

I ask the Treasurer to stand up and say why they spent so many millions of dollars for Minaki Lodge, how many jobs they created and if there was not a more intelligent way of creating jobs in Ontario by spending public money.

The third reason the government gave, and again I have to quote the Treasurer on September 23, 1982, when he said, "Mr. Speaker, in my remarks on Tuesday I indicated that one of the main objectives of this program is to lessen the burden of government on the economy." By "this program" he meant, of course, Bill 179.

According to the Treasurer, if this program works according to the forecast made by the government—and I am very doubtful that they are right, because just last spring when he produced the budget the Treasurer forecast an upturn in the economy in the second half of the year that never materialized, so I do not know if he is accurate in forecasting a saving of between \$440 million and \$840 million over the life of the program—but assuming that \$440 million could be saved in one year, which is highly unlikely—

Mr. Wildman: Very unlikely.

Mr. Di Santo: I want to tell the member for Algoma that he had forecast a much lower deficit in the budget, and three months later that deficit was much higher.

Mr. Wildman: Almost as bad as MacEachen.

Mr. Di Santo: Even assuming that \$440 million could be saved in one year, it would reduce the projected expenditures in 1982-83 by only two per cent. That is all that will happen this year if the Treasurer is accurate.

More to the point, because we have to look at the total picture, it would reduce government expenditures as a share of the gross provincial product from an estimated 16.8 per cent to 16.5 per cent, which means that \$440 million will amount to only 0.3 per cent of the projected gross provincial product.

If the Treasurer wants to convince us that 0.3 per cent will lessen the burden of the public sector on the economy, let me tell him very

respectfully that is a laughable proposition.

8:30 p.m.

I have said before that this is not the first recession but it is the most serious. We are faced with problems that are no longer cyclical. We are faced with much deeper structural problems. If we look at the recession of 1973-75, the government's expenditure as a share of the gross provincial product ranged from 15.6 per cent in 1973-74 to 17.5 per cent in 1976-77. In other words, it is lower now than it was in 1976 because public expenditure as a share of the gross provincial product now is 16.8 per cent. Therefore, the Treasurer cannot even make a case that public expenditure as a share of the gross provincial product is so high now that it is necessary, in his words, to lessen the burden of the public sector on the economy.

The second point I want to make is that the major problem is the reverse of the Treasurer's statement and could be expressed as the burden of the economy on the government. In fact, the Treasurer's budget has been shot full of holes by the deepening recession and the failure of his anticipated economic turnaround, which never materialized, in the second half of this year. If we had a turnaround, we would have more revenues and we would not be debating now whether to save \$400 million.

When the figures for the third quarter are published, we will see that the revenues of the province will be far short of the \$440 million. At that time I want to hear the Treasurer justify the shortcomings of his forecast and the shortcomings of the general economic policies of this government.

We have been saying that many times. I said yesterday that even conservative people who are enlightened now understand that. If the government were serious about creating jobs, as we proposed in our counter-budget proposal, we would be in a much better situation now because we would have much less of the work force idle, we would not have 489,000 people unemployed and the Treasury would have received an influx of revenues that has not come because people are not working, not producing, not taking home wages and therefore not contributing their taxes to the Treasury.

If the government had understood that proposition, we would be in a different situation, but it does not. As I was saying, conservative people in other countries understand that. Last week, when the conservative leader of the Christian Democratic Party replaced Chancellor Schmidt in West Germany, he said, "The first objective

of this government is to create jobs because unemployment is our enemy."

Interjection.

Mr. Brandt: It's a good idea.

Mr. Wildman: If it is a good idea, why don't you do something about it?

Mr. Di Santo: I know the member for Sarnia has been awakened by the fact that I mentioned capitalists. One day when we were talking in a friendly way, I was amazed when he said, "We capitalists." I must confess for a moment I was confused because when we talk of capitalists, I think of Conrad Black or—

Mr. Wildman: Ian Sinclair.

Mr. Di Santo: Ian Sinclair, E. P. Taylor or—

Mr. Wildman: Harold Ballard.

Mr. Di Santo: I had a moment of reflection and thought, "It is all right if people like to see themselves as being in the big league, that is fine."

Mr. Brandt: I could get more jobs together in a day than you could in a lifetime.

Mr. Wildman: Why don't you then?

Mr. Speaker: Order.

Mr. Di Santo: I am very glad, Mr. Speaker, he wants to make a point of privilege.

Mr. Speaker: Back to Bill 179, please.

Mr. Di Santo: Mr. Speaker, I understand you are trying to protect the member for Sarnia. I will go back to Bill 179.

The third reason the Treasurer gave to try to justify this unjustifiable bill was that introducing wage controls in the public sector would have a demonstration effect. I like the word "effect." The Treasurer said to the Legislature on September 23, "I believe our actions will help the fight against inflation in three ways," and he mentioned the two ways I have already spoken about.

The third way is "the demonstration effect, signalling an era of lower wage settlements to the private sector. Of all those effects, I think the third is the most important because the problem this country faces today is as much a psychological problem as it is an economic problem." These are the usual antics of the government. The psychology is, "If people think like us, everything will be okay." That is not the case, as I have already explained. By making this statement, the Treasurer is actually trying to prove the unnecessary because restraints in the private sector are not the result of an imposition of legislation by any government,

they are the result of the necessities of life.

Everyone who reads a newspaper or listens to the news knows that the workers at Ford and General Motors have signed contracts at much below the inflation rate, and so have an incredibly high number of other workers. I remind the Treasurer that the workers at Kelson Spring Products Ltd., a plant in the great riding of Oakwood, represented by my friend Mr. Tony Grande, were on strike for six months and signed a contract at the end with a pay increase of seven per cent. So it is proving to be absolutely unnecessary for the Treasurer to say that this bill will set an example for the private sector.

The Treasurer's statement implies that workers in the private sector have been settling at rates much higher than inflation in the past, while we know very well that since 1977, for five years, according to Statistics Canada, the workers in the private sector have settled their contracts at a rate that for them meant a loss of 10.5 per cent of their purchasing power. That is a great contribution to the economy of this country. The workers in the private sector have given up a lot to fight inflation.

8:40 p.m.

I think it is wrong of Treasurer to imply that it is somehow some mysterious greedy will in the workers that has provoked this inflationary spiral. When we talk of workers from 1977 to today, those who have settled and lost 10.5 per cent of their purchasing power, we are talking of organized labour, of the workers who belong to unions, of the workers who have a contract. But what about those thousands of workers without contracts? Two thirds of the workers in Ontario are unorganized. I could show example after example of workers working in the sweatshops near this place, around Spadina, who are making barely above the minimum wage, when they make the minimum wage, because of the piecework situation that exists now.

I am sure members are aware that today with the slack in our economy many workers are required to work more hours for less wages and, in many instances, they make even less than the minimum wage. Those people are not part of the statistics that Statistics Canada records as having lost 10.5 per cent of their purchasing power from 1977 until today. For the Treasurer to try to find a scapegoat in the workers of this province is not only ungenerous, it is beneath him.

In 1982, referring again to organized workers with contracts—I cannot talk of the thousands

or people without contracts—the wage settlement in the second quarter of this year was 7.8 per cent. I am not afraid to state that the government time and time again says the public sector, the public employees, the civil servants, are the nonproductive or less productive segment of our society. The member for Oakwood (Mr. Grande) told me that one of the Liberal members said in a television program recently that the civil service is the least productive sector of our society and therefore it is fine that its wages have been cut back.

Mr. Grande: He is not here right now.

Mr. Di Santo: No, and I do not want to mention his name because I really feel I should not.

When we talk of public sector employees, I like to think of the caretakers in the schools of our city, the people who clean our streets, the garbage men. I like to think of the hospital workers who work long hours, night and day, for a wage that is not that great. Certainly it is not the same wage as the executives of Dome Petroleum, where the president's wage has been increased by 100 per cent, reaching \$400,000 in salary and \$100,000 in fringe benefits.

No public worker makes that much money. Pointing out that they have job security and trying to put them against the workers in the private sector does no good. It is wrong if the government thinks that all the workers in the private sector will say: "The government is right because those bastards in the public sector have secure jobs. I do not have a job and why should they have increases higher than six per cent." The people of Ontario have much more common sense than the Tory caucus has. They will realize that when we talk of the civil service we are not talking only of the mandarins and the people appointed to the positions that the patronage system of the Conservative Party dispenses in the province but we are talking of working people who go out to work for wages, that in many circumstances are very meagre.

Interjections.

Mr. Wildman: When is the member for Timiskaming going to speak in this debate?

Mr. Havrot: I would not waste the time of the House with frivolous things like those your members take up time with.

Mr. Wildman: It would be a waste of time.

Mr. Havrot: We believe in facts, not fairy tales.

Mr. Wildman: That is why you never speak.

Mr. Speaker: Order.

Mr. Di Santo: Mr. Speaker I know that you are anxious to listen to the member for Timiskaming, but I think you must be content with what he said because that will be his contribution to this debate.

Mr. Havrot: What you are saying does not make sense, so it is all right.

Mr. Speaker: The member for Downsview. Back to Bill 179, please.

Mr. Havrot: Nobody is listening to him.

Mr. Speaker: Order.

Mr. Di Santo: Mr. Speaker, the member for Timiskaming is insulting the assembly and the members because he is saying that you are not listening and we are not listening.

Mr. Speaker: I can assure you that I am.

Mr. Di Santo: Thank you, Mr. Speaker.

I want to tell the member for Timiskaming, if he is listening, that the Speaker is only proving he has common sense.

Interjections.

Mr. Di Santo: Mr. Speaker, I find it difficult to capture the interjections of the member for Timiskaming. I would be delighted if he could speak louder because I know that he is stimulating.

Mr. Speaker: Would you just address your remarks to me, please?

Mr. Di Santo: I am, Mr. Speaker. That is why I find it difficult to listen to him at the same time. I hope he will take part in the debate later on because we are very anxious to be enlightened by his discourse.

Mr. Havrot: You wouldn't let me talk. You would interject all the time as you always do when I get up to speak.

Mr. Speaker: Order.

Mr. Di Santo: At this time I must make a solemn promise that I will not interject if the member for Timiskaming stands up to speak. I will also talk to my colleagues.

Mr. Speaker: Back to 179 now, please.

Mr. Di Santo: Going back to Bill 179, I have mentioned the four reasons the government has given in order to justify this infamous bill. Now I will mention the fifth one.

Mr. Wildman: What is it?

8:50 p.m.

Mr. Di Santo: The fifth one is a reason that in abstraction must make ordinary people wonder at the complexity of the government and how it understands the economy. It is that the program

decreases the government's demands on the capital market. The Treasurer said in this House on September 23, "I believe our actions will help the fight against inflation in three ways," and one of the ways is "decreased government demands on the capital markets to ease pressure on interest rates."

I had thought it was quite obvious that interest rates are playing a very important role in the present predicament of the economy. I had understood that interest rates had something to do with the policy of the federal government and of the Bank of Canada. I had also understood that in view of the fact that we live in one of the most reactionary—in monetary terms—capitalist countries, the government of Ottawa was unwilling to make any decisions on the way of controlling capital.

I had understood that the government did not want anything to do with exchanges and that it refused flatly to control the exchanges. I had understood, or I thought I had understood, that it was relying heavily on the fact that perhaps the economy of the United States would rebound and therefore interest rates would go down there and, as a result, interest rates in Canada would go down.

Now along comes the Treasurer of the province, who says: "No; only if we limit the wages of the civil servants of the province will interest rates go down." I am totally at a loss at this point because I am not an economist; I do not understand very well the intricacies of the economy. But I think the Treasurer has a responsibility to explain why he is making this statement. I think the Treasurer has not got a case.

Mr. Wildman: It is a ridiculous argument.

Mr. Di Santo: It is a ridiculous argument. I said before, and I want to repeat now, I am at a loss to understand the logic that governs that side of the House.

The Treasurer's statement that wage controls will decrease the government's demands on the capital market is based on two assumptions. The first is that the government crowds with the private sector into the capital market in order to borrow billions of dollars. The second refers to the relationship among government deficits, inflation and interest rates.

Speaking to the first aspect, which is the assumption that the government is out there in the capital market with the private sector trying to seize as much capital as is available, I want to say that either the Treasurer made this statement just for the sake of making a statement or

he did not even read his own budget, the one he presented to this House last May. According to the budget, the government has not gone to the capital market since 1978-79. In fact, the Ontario government has been retiring its publicly held debt and not increasing it. In 1980-81, \$143 million was retired; in 1981-82, \$62 million was retired; and projected to be retired in 1982-83 is \$43 million.

If the government has not gone at all to the public market since 1977-78, if the government has been retiring its own debt consistently in the last few years, how can the Treasurer make the statement that wage control will help to decrease the government's demands on the capital market? The government is not on the capital market at all. We know very well that the government is borrowing from nonpublic sources such as the Canada pension plan, the teachers' superannuation fund and other private funds.

If there is somebody who is crowding anyone in order to borrow money, it is Ontario Hydro. I am really flabbergasted by this government, which is perceived by the public as being efficient and speaking with one voice. That is exactly contrary to what has happened. The Premier said: "We cannot control Ontario Hydro because they have expenses and costs that perhaps cannot come within Bill 179 and therefore we cannot control them." The Treasurer should explain why Ontario Hydro this year has borrowed \$2.3 billion—in fact, two weeks ago \$450 million.

If the government is telling the people of Ontario it is restraining the wages of civil servants because it wants to fight inflation and lessen the government burden on the capital market, and if the Treasurer really means that capital is needed there to promote investment and create jobs, while at the same time Ontario Hydro is drying up the capital market by borrowing such huge amounts of money, I do not think the government can make any credible argument at all to convince either me or the public of Ontario.

The second point the Treasurer made, which is very dear to all the right-wingers, the reactionaries—

Mr. Wildman: Like the Minister of Industry and Trade (Mr. Walker).

Mr. Di Santo: Yes; I will be speaking about the Minister of Industry and Trade and his failure to deal with the problems in the manufacturing sector, but that will probably happen today or Tuesday.

9 p.m.

In the United States, Britain and Canada, ever since Friedman infused some wrong ideas in the heads of people who have not been used to thinking for such a long time that they almost collapse when they try to deal with ideas, the argument goes that government deficits are ruining the economy of the nation. In fact, that is what the Treasurer said: that government demands would decrease on the capital market to ease the pressure on interest rates.

If we look in all seriousness to the past 20 or 25 years, we see that the deficit and the province's debt has not been ballooning. In fact, if we look at the deficit of the entire government sector expressed as a percentage of the gross national expenditure, we see that in 1978 it was 3.207 per cent, in 1979 it was 1.913 per cent, in 1981 it was 0.699 per cent and in 1982 it is 0.116 per cent.

If we look at the deficit in absolute terms, then of course there has been an increase. But everything has been increasing since the upward inflation spiral began. If one looks at the deficit in the public sector in relation to the performance of the economy, it has been decreasing; as I said, from 3.207 per cent to 0.699 per cent, which is not that much.

I think it is a very interesting game that all Conservatives are playing because it is fashionable and because many people are not very well informed. It is just common sense that when you ask a family whether it can spend much more than it makes, the answer is "No." So why should government spend more than it gets in revenue? The answer should be "No."

In the United States during the past two or three years we have seen Reaganomics at work: take the government off the backs of the people, reduce government expenditures, deregulate so that the government does not rule the economy. That is what has been going on in the United States. Many people have become convinced that this is perhaps the right course. Obviously those sitting on the Tory benches and in the Tory caucus have been convinced.

But if the illustrious economists of what we call capitalism, the Adam Smiths, the David Ricardos and the John Stuart Mills were listening to our debate and to the debate that is going on in the western world, they would be absolutely shocked.

When we say that the economy must be sound, that expenditures must be wisely made, we all agree; but we all know that public debt is not an invention of the devils of 1982 or, going

back to the Depression of the 1930s, to Roosevelt and his advisers or to Keynes. Public debt and deficit spending go back many years—actually many centuries—to the Middle Ages, when the Italians cursed human posterity with the banking system. Ever since then, public debt and deficit spending have been a fact of life.

We have to realize—and I want to talk plain, common sense language—that there is a difference between current expenditures and capital expenditures. When people ask, "In your family would you spend more than your income?" then of course you say, "No;" but you know very well that if you buy a house, as I did—and I am burdened with a mortgage of 20 per cent, which is no fun, nor was it my choice—you do not spend money that you have, you put a mortgage on your future. When you buy other goods—for example, if you buy a car—you are lucky if you can pay cash, but most likely you will pay in instalments and you will put a mortgage on your future.

Why should the government be any different? If the government invests the money of its citizens to create the promise of future prosperity, then the government should be entitled to a public debt.

What about corporations? We know what happened to Dome Petroleum, those geniuses of the private sector. They got on the verge of bankruptcy with a \$7-billion deficit. Did the government say: "That's bad practice. Let's liquidate Dome Petroleum"? No. They said, "Let's rescue them." When it comes to the government, public deficit spending is bad; when it is the private sector, it is good.

I want to mention that small companies, like IBM—

Mr. Charlton: Small companies?

Mr. Di Santo: That is right. That small company, a corner store operation, has a debt of more than \$344 million. But listen to this: The American Telephone and Telegraph company, the famous Ma Bell, has a public debt of \$48 billion. Do we see the shareholders crying and going to the president of Ma Bell, saying: "You are a bad businessman. We are going to hang you"? No.

Only when we come to the public sector is deficit spending bad; but it is not bad when they make the wrong decisions, as when they spent millions of dollars to buy a share of Suncor. I do not know what good it will do for the people of Ontario, but certainly it did not do any good in controlling what is going on there.

Those are the arguments the Treasurer made

to justify controls. If we look at each one of them individually, as I did, we find that the private cost reductions, the public sector burden on the economy, the private sector downturn, the decreasing government demands on the capital market and the demonstration effect are spurious arguments; they do not make sense.

9:10 p.m.

The Treasurer made absolute statements without justifying them. I do not think he is willing or able to justify or substantiate them. I think that when any government makes such a serious decision as to impose on some 500,000 people in the province a bill like this, which is dictatorial and arbitrary in its conception, it at least has the moral responsibility of giving a justification that makes some sense. The government is unable to do that.

It is even more ridiculous when we have people like Ian Sinclair, chairman and chief executive officer of Canadian Pacific Enterprises, who made \$556,228 in 1980, in charge of the federal government's monitoring body to see whether those civil servants should receive more than six and five per cent wage increases.

Mr. Philip: Even the Speaker, who pays \$200 for a veal cutlet, does not earn that much money.

Mr. Conway: And we won't talk about Gordon Cressy.

Mr. Di Santo: I want to tell my friend that the comparison is not very good.

I want to mention those people who are not affected by Bill 179 and tell members how unfair the bill is. The president of Alcan Aluminum makes \$530,000. What will his salary increase be in 1982? Do members think that going through Bill 179 will tell them how much his increase will be? We do not know. But even assuming that his salary increase will be five per cent, he will have an increase of \$25,000. If there is any justice at all in our system, the salary of the president and chief executive officer of Alcan Aluminum should be one of the salaries under control; but it is not.

How much does the president and chief executive officer of Bell Canada make? Bell Canada is always making applications to the Canadian Radio-television and Telecommunications Commission. They were granted 27 per cent because they were able to demonstrate that they had increased costs and therefore deserved increases in our bills.

The president of Bell Canada, Mr. de Grandpré,

poor guy, makes \$626,000. How much will his salary increase be in 1982? We do not know. Perhaps even the members of the Conservative caucus do not know, because people like the president of Alcan Aluminum, the president of Bell Canada and the president of Canadian Pacific Enterprises are the people who really run the country.

The people sitting on the other side of the House are the executors of orders that come from they do not know where but, because of loyalty and their personal predicament, they have to follow the orders.

Mr. Philip: From the federal Liberal government too.

Mr. Di Santo: Of course; they also run the federal government there. I will be speaking about that later.

I have explained why the justification given by the government does not make sense. The Treasurer and the Premier have made statements without having the decency or the ability to substantiate them.

Let us see how Bill 179 affects the people. First of all, provincial and municipal agencies, boards, commissions, university and school board workers; second, Brewers' Retail prices for beer; third, hospital and nursing home workers, including physicians on salary at hospitals, ambulance service drivers and group home workers; fourth, crown corporation employees, tuition fees, Toronto Transit Commission workers, elected officials and judges and employees of charitable organizations funded by the province, such as children's aid societies—these are the people who are in.

Let us see who is out: doctors who provide services for a fee; workers earning less than \$15,000 a year in otherwise controlled jobs, who will get slightly more than five per cent, between \$750 and \$1,000.

What is controlled? Hydro and natural gas rates, Blue Cross and Green Shield insurance premiums, GO Transit and intercity bus fares, government licence fees and Ontario Place admission.

What is not controlled? TTC fares, Ontario health insurance plan premiums and most private insurance premiums, Bell Canada telephone rates, rent hike ceilings, public housing rents and food marketing boards.

Fairness was one of the concepts mentioned by the Premier when he said these controls were inequitable but necessary. Is it fair that TTC fares are not included?

Mr. Foulds: Certainly not.

Mr. Di Santo: Certainly not, and somebody must explain to us why they are not included when the salaries of the people who use the TTC are included.

I do not want to express a personal opinion, but I wish the people sitting on the other side of the House had read the *Globe and Mail*, which is a journal that is in the sphere of thinking to which they belong. That newspaper had a long article on the subway systems in London and Paris. While in London they have the same system as we have in Ontario—high fares to balance the budget—in Paris they have low fares. The article told what it called the tale of two public transportation systems and went on to say why the system in Paris is successful but the one in London is a flop. In London, the costs are increasing every day and every year and the ridership is going down, therefore defeating the purpose of a public transit system.

9:20 p.m.

I can understand why Bell Canada's telephone rates must be exempted: they have always been exempted. In this country, Bell Canada is one of the monopolies that have been virtually uncontrolled, even though there is the farce of applications to the Canadian Radio-television and Telecommunications Commission. They dictate to the government what they want, even though they do not do that brutally or openly.

That is probably one of the reasons the salary of the president of Bell Canada went up from \$514,000 in 1980 to \$626,000 in 1981, an increase of only \$112,000. Of course, to sustain that increase next year as well, it is necessary that Bell Canada squeeze more money from the users; therefore, the government thought it was wise to exempt them.

Who is out? The doctors. An argument has been made that the doctors are not civil servants. Everybody knows that. We know the doctors are not civil servants. We also know that the doctors draw most of their incomes from the Ontario health insurance plan. OHIP happens to be a public plan in Ontario.

In addition, we know that the Premier is holding secret meetings with the doctors—secret to the point that not even the Treasurer participates in those meetings, as he told us the other day: "I was not privy to those meetings; so I do not know anything." They are secret to the point that only the Premier sits down with the doctors. There must be a good reason, because

time and again we have heard the Minister of Health (Mr. Grossman) and the Premier say: "We want to protect that benevolent profession. We do not want to attack them."

The government did not think twice when it had to attack the civil service because, as far as the government of this province is concerned, the civil service is made up mostly of lesser human beings, second-class citizens. But the doctors cannot be touched. The Premier and the Minister of Health have always said: "We will go and talk to them. We will go to the president of the Ontario Medical Association. They are reasonable people, and they will understand." But for the civil servants there is the axe, Bill 179.

Last week, the deputy leader of my party said that the doctors are drawing from the budget, only because of their increase, \$1.6 billion more than the whole of the civil service, 55,000 civil servants, draws in wages. But the government did not even think for a moment to ask the doctors to make a sacrifice on the basis that it would be the fair thing to do since we are asking the civil servants to make a sacrifice. Incidentally, when the government is not dealing with wages, the civil servants are always outstanding; but when it comes to a restraint program, they are the first ones to be axed.

The government could have told the doctors that since the civil servants are being asked to make a sacrifice, they perhaps could slightly reduce their increase, not their incomes. One of the mystifications of our age is the fact that we always use statistics and when we talk about five per cent, it is an abstract that does not reflect reality. If we are talking about a five per cent increase on a salary of \$10,000, then it means something. But if we are talking of a salary of \$100,000, it means something completely different. We are talking of \$500 and of \$5,000.

If the government had told the doctors of this province that they had to make a sacrifice and slightly reduce the increase of their take from OHIP, I think the doctors would have accepted that. I think they realize that we are in difficult times, that any sacrifice which must be made should apply to every group in our society and that they cannot escape public criticism if they do not accept a reduction in their salaries.

The government does not have the moral fortitude to go to the doctors and ask them what they would have done. That is what happened in British Columbia. When the government of British Columbia expressed the idea of reducing salary increases to civil servants, the doctors of

the province went to the government and said, "We will give back \$60 million because we want to participate in this program of restraint." But not so in Ontario.

A former president of the Ontario Medical Association sits in the cabinet, and in her speech on Tuesday night she did not mention doctors at all. She was the Minister of Health a few years ago and knows what is going on. She knows that OHIP premiums are increasing constantly in Ontario and are the highest in Canada, and that we are one of the few provinces that charge premiums. Yet she made no mention of this.

Mr. Philip: She is opted out, isn't she?

Mr. Di Santo: She is opted out. My friend the member for Etobicoke leads me to the next point, why OHIP premiums are not controlled. While no one could convince me that they are not an administered price, an even more important aspect is that in this province, the law of Ontario—which is the law of the Tories, because they have a majority in this Legislature—allows the doctors to bill the patient above the OHIP schedule, to be paid by OHIP and to bill extra.

That is a very serious matter for all those people who must go to a gynaecologist or other specialist in small towns where the doctors are opted out and they must pay more than the fee paid by OHIP. This is a contradiction of the concept of universal coverage, which I thought was one of the achievements of this society.

The government of Ontario and the Minister of Education (Miss Stephenson) do not have the moral fortitude to even mention this problem; and it is a problem. In many areas in my riding, Downsview, old people whose sole income is their pensions are required to pay very substantial doctors' fees.

9:30 p.m.

It is fine for the government to roll back the \$15,000 to \$18,000 wages of civil servants, hospital workers, caretakers, teachers, but the salaries of the doctors are untouchable.

I am going to talk about rent ceilings and rent increases.

Mr. Philip: I have already done that. Read my speech.

Mr. Di Santo: My friend the member for Etobicoke, invites me to read his speech. I would be very honoured to do that, but if I did I would not sound very genuine because my learned friend expresses himself in a way that I will never be able to do. Therefore, I will try to make my case in the simple words I can use in this Legislature, hoping that my friends will not

be ashamed of me.

Mr. Philip: I am never ashamed of you. I am ashamed of those rascals over there.

The Acting Speaker (Mr. Cousens): On Bill 179?

Mr. Di Santo: Mr. Speaker, the speech of my friend the member for Etobicoke was on Bill 179.

The rent ceilings are not controlled. The government knows very well what is going on in Ontario and Toronto, thanks to the policies of the right-wingers at Queen's Park and municipalities outside of Metropolitan Toronto. That is another aspect, an abhorrent aspect of public life in this province, that the Tories, by hiding behind the "independent" label, have been able to occupy all public positions in the municipalities and school boards for an incredible length of time. Therefore they have been able to impose on the public their policies, disguised as independent policies.

Thanks to the policies of this government and the municipalities we have seen, especially in Metropolitan Toronto, a new phenomenon that has literally deprived people of access to rental accommodation. Increasingly in the last few years, we have seen small and not so small rental buildings transformed into condominiums, in many cases luxury condominiums, with the blessing of the municipalities and the Tories and the Liberals in the city of Toronto.

Because of that process, right now in Metropolitan Toronto the rate of vacancies—

Mr. Philip: Here comes the Minister of Transportation and Communications (Mr. Snow) with his tuxedo on. Did you pay another \$200 for dinner tonight?

Mr. Di Santo: I must say that of the whole Conservative caucus the minister's shirt is the only bright spot. The Minister of Revenue (Mr. Ashe) is envious.

Mr. Philip: Is he not growing penicillin on that lapel?

Mr. Di Santo: I am intrigued by the conversations which are going on and which are quite interesting. They make me a little bit anxious, because I quite often have to struggle to keep the line of thinking of my speech.

I was talking about rents and I was saying that because of the policies instituted, especially in Metropolitan Toronto—this is the only situation of which I am aware, but I suspect the same situation applies to other major cities in Ontario, like Ottawa, Hamilton, Windsor and London, but I can only talk about Metropolitan

Toronto— the rate of vacancy is so low that for the first time in many years it is far below one per cent.

What does that mean? It means that if there are no rental accommodations available, if many buildings are transformed into condominiums or luxury condominiums, then the people who are looking for apartments or any other rental accommodation are put in the most thankless position of either accepting high rents or living in the open. Since they cannot live in the open, then the rents are going up to levels that are totally unacceptable. For many people, it becomes really a suicidal proposition.

Mr. Roy: Why do you punish us like this?

Mr. Di Santo: The member for Ottawa East is asking me why I am punishing him. I must reiterate for his benefit and for the benefit of the assembly, through you, Mr. Speaker, that we are prolonging this debate because we know that Bill 179 is a wrong bill and we want the people of Ontario to become aware of the unfairness of this bill.

Hon. Mr. Ashe: You just do not grasp the reality of the real world out there, what people are saying and thinking.

Mr. Mancini: He has the right to speak. He was elected just like you.

Hon. Mr. Ashe: You were not listening. Go back to sleep. That is not what I said.

Mr. Di Santo: The Minister of Revenue is invoking the realities of March 19. There will be another March and it will not be March 19 and—

Mr. Speaker: Back to the realities of Bill 179.

Mr. Di Santo: —I am not so sure that the minister will be re-elected, because the same trick will not work twice.

9:40 p.m.

Mr. Speaker: Never mind the interjections.

Mr. Di Santo: Mr. Speaker, that is an open provocation, let alone an interjection.

Mr. Roy: What did we do to deserve this? Them, not us.

Mr. Di Santo: With respect, I do not know why we deserve that government; but I did not elect them, and the member for Ottawa East is right.

I was talking about rents. I was saying that, given the fact that rental accommodation is decreasing substantially because of the policies of the municipal Tory and Liberal politicians and this government, therefore the rents that

tenants are asked to pay are excessively high. Ironically, even the former Minister of Agriculture and Food—I do not know what he is minister of now—

Mr. Philip: Minister of patronage.

Mr. Di Santo: —had to appeal to the rent review commission because his rent was increased to some \$700 or \$800 a month. Not everybody is as wealthy as the member for Cochrane North (Mr. Piché), who can pay \$1,000 a month for rent.

Mr. Havrot: How do you know that? It is only \$850.

Mr. Di Santo: The member for Cochrane North told me; that is how I know. I said not everybody is as wealthy as the member for Cochrane North, who can pay \$1,000 a month for rent.

Mr. Speaker: I do not think that has anything to do with Bill 179.

Mr. Di Santo: Mr. Speaker, it is to the point. I know the member for Cochrane North accepts my remark as a compliment.

I was saying that because of the situation created in the rental market, many people are now virtually excluded from renting an apartment or a house. Therefore, if it was necessary to control anything at all, rents should have been at the top of the list. Instead, the government said, "No ceilings on rents," when we know that rental accommodation in buildings built after 1976 is totally exempt and that buildings built before this date are subject to the rent review process, which has become a total farce.

I mentioned earlier the example of some of my constituents who live on Trethewey Drive in Downsview, who have been asked for a 54 per cent increase in their rent. Of course, among them there are senior citizens. A couple of senior citizens in their late seventies are absolutely devastated and do not know how to handle the situation because they thought their rents would go up by six per cent.

Instead, I am now going to represent them at the rent review hearing. They are faced with a huge rent increase and do not know what to do. Most likely they will be faced with a landlord who either has recently bought the buildings—four buildings are involved—or has refinanced the buildings. The rent review legislation also allows the landlord to refinance and to charge 70 to 85 per cent of the mortgage to the tenants.

If something should have been controlled in order to give at least a semblance of fairness to

the controls imposed on civil servants, rents should have been one of those controls. But the government chose to ignore rents, either because of expediency or because landlords usually contribute to the campaigns of the Tory candidates.

In fact, after the last election I went to the election expenses commission and glanced at the returns of many Conservative Party candidates in Metropolitan Toronto. I noticed that in many cases Cadillac Fairview had been very generous and had contributed to each of the 32 candidates in Metro.

I wonder whether the government went to Cadillac Fairview and tried to understand why suddenly it decided to get out of the apartment buildings that it owned and get rid of them. Who is going to benefit from that? Is it not a scheme to trap the tenants in a situation where they could be faced with incredible increases in their rents?

I really do not know that, but we have seen no reaction from the Minister of Municipal Affairs and Housing (Mr. Bennett). We have seen no statement at all. We are faced with what I think is a major decision of a major company that bears quite a weight in rental accommodation.

If Cadillac Fairview's action results in an inordinate increase in rents then I think the government has the moral responsibility to look into that deal. More, it has the moral responsibility to impose some rational ceilings on rent increases so that people who are renting apartments can look forward to a situation of not being faced with increases which in many instances amount to a great chunk of their wages.

I do not want to mention the senior citizens, pensioners, disabled people, single parents, all those people who are less able to fight inflation, less able to absorb increases that are much higher than their income.

It is for this reason we in this party have been saying that this bill is wrong, not only because it does not solve any of the problems it is purported to solve, but also because it applies to only one group of citizens. It does not apply to prices. In fact, the control of prices is a farce. The Premier and the Treasurer have said time and again that they appeal to the private sector to control wages; they appeal to the private sector to control prices, but they are certainly not controlled by Bill 179.

9:50 p.m.

The same also applies to public housing rents. Initially, when public housing was instituted in

Ontario, it had the purpose of responding to the needs of people who could not go to the so-called free market and rent an apartment or house. Because of their income, because of their health, because of their family situation, they were forced to rent houses that were lower priced than those in the market and were related to their income. Initially, rents in public housing were set through the public housing authority at roughly 25 per cent of the incomes of the people who entered. In this bill there is no control at all on public housing rent increases.

I want to bring to the attention of the House what was reported to me just recently. The fact that rents in public housing are not subject to rent review control means in effect that at 710 and 720 Trethewey Drive the rents have been increased from 18 to 27 per cent in the last year alone. That could be checked by the Minister of Municipal Affairs and Housing, and I plead with him tonight to check into that. Regardless of the increase in the incomes of the tenants, last night I had a senior citizen in my office, Mrs. Dorothy Wellwood. She is a pensioner who lives by herself. Her rent was increased by 18 per cent this year, but her pension was not increased by 18 per cent.

The original role of setting the rents of the people who live in public housing at 25 per cent of their income does not hold any longer. In fact, if the government had respected that initial agreement with its tenants, it should have increased the rent only by as much as the pensions have been increased.

When we amended the Residential Tenancies Act, the government pretended that this was not a problem and rejected an amendment presented by us that included public housing tenants in the rent review process. They are now excluded and they have no recourse. They are totally at the mercy of the Ministry of Municipal Affairs and Housing.

I thought, and any person of common sense would have thought, that since the government is bringing in a control program, the rents of the people who live in public housing should be controlled as well. Instead, they are exempted.

Interjection.

Mr. Di Santo: What is the Minister without Portfolio saying?

Mr. Laughren: How do you guys justify it? You cannot.

Hon. Mr. Eaton: They already are controlled. Their rent is geared to income.

Mr. Di Santo: Instead, the rents in public housing are totally excluded. If there was a rationale for controlling something, I think rents in public housing should have been at the top of the list as well.

Hon. Mr. Eaton: How do they arrive at the rent in public housing?

Mr. Di Santo: Common sense dictates that people with low incomes who have an agreement with the government that they will pay 25 per cent of their income in rent, which was the original agreement, have a right to expect the government to respect that agreement. If the government asks them in 1982 for an 18 to 26 per cent increase in their rent, while their incomes do not increase by more than six per cent and their pensions will not increase by more than six per cent, then somebody is violating an agreement, and that is the government, not the tenant.

I mentioned the case of one of my constituents. I challenge the minister of—what?—the minister of nothing, the member for Middlesex (Mr. Eaton), since he has a lot of time, to check into the case of Dorothy Wellwood, who lives at 720 Trethewey Drive, apartment 804.

Interjections.

Mr. Di Santo: The Minister without Portfolio was saying the figures I mentioned are not correct.

Mr. Speaker: That has nothing to do with Bill 179.

Mr. Di Santo: Yes, it does. With all respect to you, Mr. Speaker, I was—

Interjections.

Mr. Speaker: Interesting as this may be, I am sure the member for Downsview has some very important observations to make on Bill 179.

Interjection.

Mr. Speaker: Order.

Mr. Laughren: On a point of privilege, Mr. Speaker: I cannot recall whether or not you were in the chair a week or so ago when the member for Cochrane North was speaking and spent an hour talking about why the Premier should have this little toy called a jet. At that point no one called the member to order. I would assure you I did not get on my feet now just to give the member for Downsview a rest either.

Mr. Speaker: I think the member for Downsview has some very important observations to make.

Mr. Roy: Odoardo, why are you doing this to us?

Mr. Di Santo: Mr. Speaker, I am very sympathetic to my friend the member for Ottawa East, but I think he must understand that this is a very crucial bill. We cannot have this bill passed without a thorough debate and that is what we are doing.

Mr. Roy: I agreed with you six hours ago. Why do you do this to me?

Mr. Speaker: Never mind the interjections. Proceed, please.

Mr. Di Santo: Mr. Speaker, I know I have your sympathy and I thank you.

Hon. Mr. Norton: It is not a matter of sympathy.

Mr. Di Santo: I want to tell the Minister of the Environment that tomorrow I will be talking about his ministry as well.

10 p.m.

If Bill 179 has any justification at all, then there should be some compensation on the side of prices. I mentioned today what Mr. Gerald Bouey told the Canadian Chamber of Commerce when he said the prices of some major commodities have been increasing way over six per cent, but unfortunately the government had no choice but to restrain wages. Also on the issue of prices, there is a survey by Statistics Canada of the annual increase in the price of goods and services, both under and outside federal regulation. The study shows that regulated prices increased 17.7 per cent from April 1, 1981, to April 1, 1982, while unregulated prices rose 9.1 per cent. In the same period, the consumer price index rose by 11.3 per cent.

That tells us that, if the government was really serious about controls, before introducing controls on the wages of public employees, it should have taken a very serious look at regulated prices that are under the control not only of the provincial government but also of the federal government. Perhaps it would have found a way to control them as well.

It is true that some prices cannot just be rolled back. We understand the realities of the economy, but we also understand that if unregulated prices, the prices on the market, have risen by 9.1 per cent, there must be some justification for the increase in regulated prices. The government has not made any attempt to bring under control the prices that are directly dictated by the government.

It is not difficult. I believe it is greed on the

part of the government. What the government does, time and time again, whenever there is money to grab from taxpayers through direct or indirect taxation, is immediately to come down on them very heavily.

The Minister without Portfolio is laughing. He should try to explain to his constituents why the government changed the provincial tax on gasoline and imposed the ad valorem tax. Why? Because with the ad valorem tax, it is ripping off more money than it was before.

That is the same rationale used by the federal and Alberta governments for their price agreement on the increase of oil products. It was not for the good of Canada, in order to promote self-sufficiency, as the Energy minister said at the time, but because it increases the share of money that is going into the federal budget and, in this case, the provincial budget. That does not always work according to plan. By increasing their share of taxes from oil products, the federal government thought they could reduce the federal deficit and therefore come to the people of Canada as the good administrators they are, but it did not work that way. They introduced a budget last November with a \$10-billion deficit. Six months later they came out with a budget with a \$20-billion deficit. Despite the ripoff of the people who are using oil products, their deficit increases.

If there was any justification to this program, there should have been something on the side of prices, but prices have remained untouched. The unfairness of wage controls becomes even more evident when one realizes that the prices of most essential items, including fuel, rent and food, will keep going up at rates higher than five per cent. Since they are not regulated, there is no way that they can go up by just five per cent.

Consider these items: Gasoline went up nine per cent in September. More increases are scheduled for January and June of 1983. The accord between Alberta and the federal government provides for increases that have no relationship with inflation, productivity or performance of the economy, but the price will go up until it reaches the world market price. And they will go up in Ontario twice because of the ad valorem tax, which is a gift the government of Ontario has given to the consumers of this province.

Interjections.

The Acting Speaker (Mr. Cousins): Order. The member for Downsview has the floor and is speaking on Bill 179.

Interjections.

The Acting Speaker: Order. It is very difficult for the member to continue his presentation with these interjections.

Mr. Di Santo: I am very anxious to proceed if the members, including the Minister of Revenue, will have the courtesy to allow me to speak.

I said that while there is a control imposed on the wages of civil servants by Bill 179, gasoline prices will go up because of the accord between the Alberta and federal governments. The automobile insurance industry will impose increases on us poor mortal people. The increases will not be five per cent. They will be between 30 and 35 per cent. There is no control on them.

10:10 p.m.

If they have to justify why the increases will be so substantial, they can find a number of reasons. The government will listen to them and say: "Well, they are right. The rate of accidents is higher, the costs of repairs are going up; therefore, they are justified in asking for an increase of 30 per cent." But the civil servants are not. They are the people who have to pay more for gasoline and insurance premiums, but their wages will go up by only five per cent.

OHIP premiums will go up by 17 per cent on October 1, mainly to pay for the 41 per cent fee increase won by Ontario doctors over the next three years, a wage hike that has not been rolled back. Now, if there is a price the government could have controlled easily, it is OHIP premiums. I said that before. OHIP premiums in Ontario are the highest in the country, and only two other provinces have premiums; in seven provinces there are no premiums.

I do not think the government can make a case by saying that since we in Ontario have the highest premiums in the country, we have the best medicare in the country. We know very well that Ontario is the province where the rate of opted-out doctors is the highest and where the cost of medical care is going up incredibly year after year to the point where many people are wondering whether it will work in the future and whether we will be able to retain a public system of medicare in this province.

What has the government done in this area? Nothing. Zero. OHIP premiums will be excluded from Bill 179. Who will pay for that? The president of Bell Canada, the president of Alcan, the president of Canadian Pacific Enterprises? Not at all. The ordinary citizens of Ontario, the ordinary workers, the white collars and blue collars of the province; and those who

are unemployed, will pay.

Many people are losing not only their jobs but also their fringe benefits, unemployment insurance benefits and other benefits, including OHIP coverage. Those people are called upon to pay an increase of 17 per cent on October 1, and they can least afford it. For them there is no justice, no fairness. The government will not control increases.

As established in advance, the OHIP premiums will go up, by 17 per cent on October 1, 1982. In many cases, because of the opted-out doctors in the province, that not only means an increase in OHIP premiums, which are not regulated by Bill 179, but also means that on top of the OHIP premiums those citizens will be asked to pay higher fees to the doctors because the fees of the doctors have not been regulated. In fact, the Ontario Medical Association schedules are only indicative. I do not think that is fair.

If we are talking of fairness, then somebody must explain to me why on one hand the government wants to cut back the wages of the civil servants and on the other hand it does not control a price that is clearly administered by the province.

Another price that has not been controlled is rents. In Metropolitan Toronto the average rent increase in 1981 was 18.8 per cent. This year twice as many landlords are seeking increases above the proposed six per cent as previously. I am summarizing what I said before. There is no justification for leaving out rents from Bill 179 but the government, in its wisdom, chose to do that.

Ontario Hydro has asked for a hike of 13.9 per cent in its wholesale bulk power rates for 1983. I said before that when the Premier was asked whether Hydro rates would be controlled, he said flatly: "No. There are costs that Hydro must pass on to consumers, because they are either unforeseeable costs or costs they cannot absorb; otherwise, Ontario Hydro must go to the capital market and increase its debt position."

We know very well, as I said before, that this year Ontario Hydro has borrowed some \$2.2 billion and, only two weeks ago, \$450 million. So the Premier's argument makes no sense at all.

Union Gas, a company that is probably dear to the heart of the Tories because the president is the former Treasurer of the province, has asked for an increase of, I think, 17 per cent. It was in the *Globe and Mail* today. They will get 17 per cent. The consumers of Ontario, including the civil servants of the province, all will pay

a 17 per cent increase because the government has chosen not to control the rates of gas in the province.

The Inflation Restraint Board will not even deal with this issue. We know that the act provides it will be dealt with by a cabinet committee, which means there will be no public input. The public will be completely unaware of the dealings that will go on between Mr. Macaulay and the Premier. They are good friends and understand each other's language. The public will not know anything of the dealings that will go on between Mr. McKeough, the former Treasurer, and the Premier. They are good friends. Mr. McKeough had to resign his seat because the Premier would not make room for him, but they are still good friends.

The public will be completely cut off from any discussions, but they will pay for the increases in prices that they will decide in a friendly way, talking around the fireplace, without public input. And what happens to the consumers of Ontario? How will they be protected? There will be nobody to protect them. But the civil servants, yes, their wages can be axed. They will have cutbacks and the bill will call on them to make sacrifices.

10:20 p.m.

There is a question that must be asked: Will curbs work at all? We have said before that we do not understand the justification, we do not understand the logic behind this type of control. But will it work? It is interesting to see what some of the major economists of the nation say.

One of the most qualified economists, Professor Lorie Tarshis, is 71 and a pensioner. She said: "I am a pensioner, and I am one of those most interested in seeing that inflation comes down. I am living on my pension, and my pension is not indexed." She said that controls will not work, that governments throughout the world are preoccupied with fighting inflation when they should be trying to revive sick economies. I must say that Professor Tarshis is not a Socialist like me, but on broad lines could probably be defined as a liberal in the American sense. Professor Tarshis said we are taking the wrong medicine.

I want to mention two other economists, Professor Morley Gunderson and Frank Reid of the University of Toronto Centre for Industrial Relations. They said, "There is little evidence to support the widespread belief that public sector wage settlements have been an important factor in the recent inflation." This is a euphemism meaning that public wages have risen in the past

five years below the inflation rate.

Professor Gunderson said his own studies have shown that public sector employees have had only a slight wage advantage over private sector employees and that it exists mainly among lower-paid female workers.

"I do not think that a school of thought exists anywhere that public sector controls are the answer," Professor Reid said.

Professor Gunderson said, "We suspect the federal and provincial programs were politically motivated and timed to make them look successful." "Whether or not the public sector controls were needed, it looks good," he said. "If the programs succeed in reducing government deficits," Professor Reid said, "there will be less spending and fewer jobs for the private sector. It is going to worsen the recession."

Professor Tarshis also said that if the programs reduce spending by those whose wages fail to keep up with inflation, the reduced demand for goods and services could lead to more business failures and more unemployment.

Professor Gunderson said something that we had always suspected and that Senator Keith Davey made quite clear and blatant when he distributed his red book to all the Liberal MPs in Ottawa. He said that the success of the six-five program will be the success of the Liberal Party; if it does not work it will be bad for the Liberal Party, and we should give the impression that the economy is in progress.

Professor Tarshis also said something that is understood by everybody, all the people in the street: If you substantially reduce the wages of one group in our society, then there is less demand for goods. If there is less demand for goods, there is in turn even less work for those workers who produce goods and therefore there is more unemployment. Since the economy is a

circle, if there is more unemployment the people who are unemployed will demand fewer goods, and then the circle will perpetuate itself.

We can see this right now in the construction industry, where high unemployment is producing further unemployment in the industries that supply goods and products to the construction industry and therefore to the service industries related to that industry.

Unless we break that circle, I think the government is playing a very dangerous game. By curbing the wages of the public service, the government is not solving the real problem of Canada and Ontario: the real problem of jobs, the problem of an economy that is languishing and needs to be revitalized with ideas that are vital, not with these games that are trying to save the government or, as Professor Tarshis said, to make the government look good.

This is not a gimmick. We are dealing with the problems of hundreds of thousands of people who are suffering because of a critical economic situation, who are looking to the government for a sign of hope and who are receiving an axe from this government. They are receiving an answer that is totally unsatisfactory.

The government knows that by axing the wages of the public service, it does not solve any problems in this province. The government knows very well that we need much more than that. The government knows very well that the problems of our economy are much deeper. What is lacking is the political will. I hope the government will withdraw this bill.

On motion by Mr. Di Santo, the debate was adjourned.

The House adjourned at 10:30 p.m.

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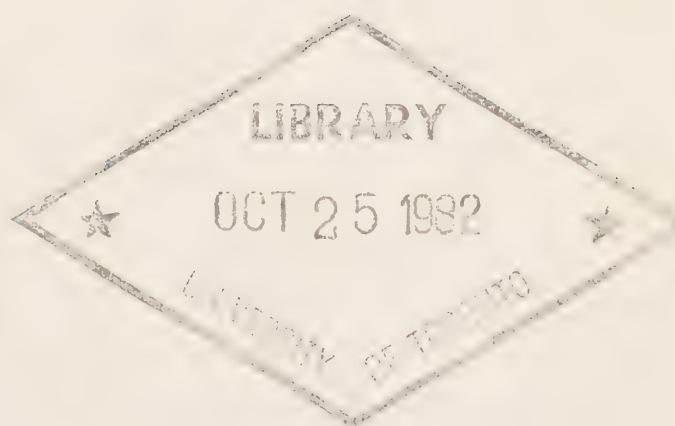


No. 115

Ontario, Legislative Assembly

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Friday, October 8, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, October 8, 1982

The House met at 10 a.m.

Prayers.

STATEMENT BY THE MINISTRY

CLARK EQUIPMENT OF CANADA LTD.

Hon. Mr. Drea: Mr. Speaker, I make this statement in the absence of my colleague the Minister of Industry and Trade (Mr. Walker).

Yesterday there were some questions raised by the Leader of the Opposition (Mr. Peterson) to the Minister of Industry and Trade. The questions related to the minister's information that some 800 jobs would be created by the transfer of some important production lines to the St. Thomas plant of Clark Equipment Company of Canada Ltd. The Leader of the Opposition challenged the minister with respect to his assertion, making reference to earlier comments by a company official.

In point of fact, the company has apologized to the minister and has now issued a press release supporting his figures. To quote from that press release: "Clark Equipment Company of Canada Ltd. clarified today employment figures which were announced yesterday by company officials and the Honourable Gordon Walker, Minister of Industry and Trade.

"According to Charles A. Kiorpes, vice-president and general manager for Clark's construction machinery division, Mr. Walker's employment figures are correct because the addition of products to the St. Thomas plant will gradually add approximately 800 jobs to the area.

"We apologize for any embarrassment to Mr. Walker regarding this misunderstanding."

It is now clear that St. Thomas has received some very good news. I am confident that this assembly will treat it as such. If there is any further elaboration needed on the quality, the nature and so forth of the apology, why do members not read the London Free Press?

Mr. Peterson: Mr. Speaker, we have seen the Free Press this morning, or at least have had it read to us, and I am aware of some of the circumstances that surrounded this unfortunate incident. I want to say I am very happy about those jobs even though there is some question

about how many there are and in whose judgement there will be certain numbers of jobs, either direct or indirect, in the area.

I just wanted to put this on the record to make sure there is no misunderstanding. At 11:45 a.m. yesterday Mr. Gilbert, the same person who presumably released the statement my friend is quoting from and which was in the Free Press this morning, said that the consolidation was taking place immediately, but he had no idea, at 11:45 a.m. yesterday, where the 800-job figure or the 2,000-job figure came from. How far the company got to the 160 laid-off employees would be totally dependent upon the economy, hopefully by mid-year, he said.

At 2:50 p.m. yesterday there was a further conversation with Mr. Gilbert, the president of Clark Equipment of Canada Ltd. He confirmed having had confidential discussions with the minister. Obviously there were some discussions with the ministry at this point because the embarrassment of this incident was coming to their mutual attention. He discussed, among other things, future speculative levels of production and employment. The figure of 800 jobs at 2:50 p.m. yesterday was not related to the plant exclusively, but to the area at large. He would not comment on the question of whether he authorized the Minister of Industry and Trade to release the figures.

We also know that Mr. Kiorpes, the vice-president who was quoted on the radio yesterday, said, "I don't know who Gordon Walker is. I am sure whoever he is and wherever he got his statistic, he believed he was correct." There is obviously a great deal of misunderstanding on this question. It is obvious to me that because of the ministry's embarrassment, they got to Clark Equipment yesterday, as they do in their ways, to get them to retract. That is fine. They are quite entitled to do that, but I just want the record to show that that is the way the whole incident progressed. I gather they felt the pressure and that somehow in the corridors of power they were mugged like everyone else.

Hon. Mr. Drea: Mr. Speaker, in the absence of the Minister of Industry and Trade, may I say I am sure the Leader of the Opposition did not

really intend to put a conveyance on the phrase "the ministry got to" that might be misunderstood.

Mr. Peterson: It's obviously the same way you got to Morley Rosenberg.

Mr. Nixon: Actually, Morley got to them.

Hon. Mr. Drea: Mr. Speaker, in the absence of my colleague, I was prepared to be relatively calm about this. The Leader of the Opposition yesterday started out by saying he wanted to end some confusion. I would suggest the confusion is ended. To quote again from their release, the minister's employment figures are correct. The company put that out.

It is very difficult, in the absence of the minister, to raise things such as the credibility of the ministry and so forth, but I would think that the assembly might be best advised to accept the statement of the company in the light that it is issued. In that light it is to clarify the matter of exactly what production facilities will be transferred to the St. Thomas plant and how many jobs will be created. Above all, it is certainly a most remarkable event for the community of St. Thomas, which has been buffeted very severely by the recession.

Mr. Speaker: I understand the matter has been clarified exceedingly well.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Speaker: If I may have the concurrence of the House just for a moment to read a statement I did not have earlier. I would like to make a brief announcement.

The pages are now distributing to each member lapel pins for the use of members of the Ontario branch of the Commonwealth Parliamentary Association. The design of the pins has been adopted for the use of the Ontario branch of the CPA and establishes a symbol which is separate from the coat of arms used by the Legislative Assembly and from the symbol used by the headquarters secretariat of the Commonwealth Parliamentary Association.

10:10 a.m.

The new symbol was designed by Bob Carter of the office of the chief election officer. The pin has two component parts. The first is the mace, which is a symbol of the authority of the Speaker and the House. The second is the silhouette of the province. The colours, gold and green, are the colours assigned to the province by royal warrant issued by Queen Victoria on May 26, 1868: the gold of the three maple leaves shown in the gold of the mace, and

the green of the field of the crest shown within the boundaries of the province.

The pins are not for general distribution but are for the use of members of the Commonwealth Parliamentary Association.

ORAL QUESTIONS

UNEMPLOYMENT

Mr. Peterson: Mr. Speaker, I would like to put a question to the Premier, in the absence of the Treasurer (Mr. F. S. Miller), about the alarming unemployment statistics that came out this morning.

No doubt the Premier is aware that the national figures are flat, the same this month as they were last month. No doubt he is aware that in Ontario the situation has deteriorated over the last month and the actual unemployment rate has increased from 10.1 per cent to 10.3 per cent. Seasonally adjusted, it increased from 10.8 per cent to 11.1 per cent. In fact, there are 25,000 fewer people working this month in the province than there were last month.

When is the government going to come in with some job creation programs?

Hon. Mr. Davis: Mr. Speaker, I think the Treasurer has covered this in the last two or three days on a number of occasions. Any answer I might give would be somewhat repetitious, but I shall repeat what he said.

I think the Treasurer has outlined this government's concern with respect to the unemployment figures, which we find totally unacceptable. I have just had some rather hurried information with respect to the Ontario figures. I think they reflect the still rather stagnant or difficult experience in the auto sector which, of course, also has an impact upon the steel industry. It also reflects the lack of demand in the marketplace for some of the base metals: nickel and many others. I think the Treasurer clearly indicated that we are more than prepared to sit down with the government of Canada to deal with some national economic policies.

I will not get into the musical chairs that have been played and some of the delays which have occurred and which, quite frankly, are understandable in terms of a response from the government of Canada. As recently as Wednesday evening, I urged the Prime Minister of this country to convene a meeting of first ministers, hopefully after a meeting of ministers of finance and treasurers to deal on a co-operative basis with some national economic recovery program.

The Treasurer has outlined that if no national approach is taken this government is prepared to take certain initiatives. I should say to the honourable member, because he should be familiar with the basic problem facing the economy of this province, that while this government is prepared to take certain initiatives, they will not alter the problems in the auto sector or the steel sector. Those really depend to a degree on economic recovery in the United States as well as economic recovery here.

In some respect, this province is somewhat more vulnerable than some of our sister jurisdictions because of our dependence on the manufacturing sector. If the member would take a look at the figures, say, from Quebec—I have not had a chance to analyse those—I think he would find they would be somewhat similar. If he looked at the United States unemployment figures which were released yesterday and which I guess have reached an all-time high, I think he would find, once again, that in comparative jurisdictions, such as Michigan, Ohio, New York, Pennsylvania, etc., the same sort of circumstances are having an impact in those jurisdictions where the manufacturing sector has not yet experienced any real measurable degree of recovery.

This does not in any way suggest that this government is not prepared to take certain initiatives, but they will be determined only after the discussions we hope will take place with the government of Canada. If they do not materialize, the Treasurer will have certain propositions to make to this House.

Mr. Peterson: I can understand the Premier's desire to compare our province with Detroit so he can show up a little rosier than he might otherwise, but the reality is that compared to the rest of Canada we are in worse shape. We are in worse shape than the national average.

The Premier is obviously also aware of the unemployment figures in certain municipalities. Sudbury went from 26.9 per cent to 32.9 per cent unemployment; fully one third of the work force of that city is unemployed. Toronto went from 8.8 per cent to 9.1 per cent last month; St. Catharines-Niagara went from 12.4 per cent to 13.9 per cent; London went from 11 per cent to 11.8 per cent, and it is not particularly dependent on the automotive industry; and Windsor went from 13.8 per cent to 14.3 per cent.

Some of these problems are a function of the downturn in the automotive and steel industries and a variety of others, and it is obvious that an upturn in the United States would help us. We

understand that. But it is also obvious to us that we can take some action here in the province. Is it going to be continually the Premier's response just to wait for the federal government and do nothing, even though he has taken many other initiatives on his own in the past, even though in the budget of last year he said, and I am going to quote back to him, "Since the federal government has failed to respond with a decisive and comprehensive set of programs, the government of Ontario has decided to implement new job creation initiatives on its own"?

We have established that there are certain savings as a result of the restraint program, at least over budget. There are moneys available that could be put into—

Mr. Speaker: Supplementary, please.

Mr. Peterson: —the emergency programs now. Surely that is the Premier's responsibility. Why can he not do something now?

Hon. Mr. Davis: Just to review those communities the Leader of the Opposition outlined in his supplementary question, I think it is fair to state—and the member in our caucus, I think, would agree—that the prime problem in the city of Sudbury relates to the downturn in the nickel markets. There is no question that the price of nickel in the world marketplace today is low. The demand is also low, and I guess there is some suspicion on the part of some that other nickel producers in other parts of the world perhaps are selling at below cost. That is a circumstance over which this government has very little, if any, control whatsoever.

I would point out that when the Leader of the Opposition relates the figures in the city of Windsor, I do not think there is any question that they are primarily related to the auto sector and the fact that the marketplace, particularly in the United States, has not recovered in that particular field. If he takes the figures in St. Catharines, another community he mentioned, there is no question that, once again, the auto sector has had some prime impact on that situation. Even if he looks at the city of London, he may find the odd auto parts supplier or machine tool supplier whose situation is more than related to the auto sector as well.

I would point out to the Leader of the Opposition that this government has not in the past been reluctant to take certain initiatives. I should also point out to him that he, more so than some, attempts in economic terms to have issues both ways. When he was finance critic for the party, after very careful deliberation he kept

reminding the Treasurer that he should be reducing his deficit, moving towards a balanced budget and restricting expenditures even further. I think that was his position not very many months ago.

Interjection.

Hon. Mr. Davis: If the member for St. Catharines (Mr. Bradley) wants to take time out and leave the chamber, be my guest. His contribution outside the chamber probably will be a lot better than it is here.

Interjection.

Hon. Mr. Davis: I would say to him that I doubt he is ever in a state of grace.

The Treasurer has already indicated, barring some national co-operation, some national program, this province is prepared to take certain initiatives. He also pointed out that we are limited in those things we can do. We cannot create a market for automobiles; we cannot create a market for combines; we cannot create a market for nickel. Those things are really beyond our capacity. I confess that to him.

Mr. Foulds: Mr. Speaker, does the Premier recall the slogan in the recent provincial election, "Davis can do it"? Now he is telling us he cannot do a thing about unemployment in this province.

Would the Premier specifically take a look at the startling and disturbing figures for youth unemployment in this province of 17.3 per cent? The number of unemployed there is 183,000, and there has been a six per cent increase in the last 12 months. Will he tell us specifically what the youth secretariat and the Minister of Labour (Mr. Ramsay) are going to do to alleviate that disturbing problem?

10:20 a.m.

Hon. Mr. Davis: Mr. Speaker, I recall the last election very vividly. Quite obviously the honourable member recalls it as well, as do the members of the official opposition, because apparently they have not recovered from it yet. That frustration is still there.

I am the first to confess to the member that there are some things this government can do and there are some things this government cannot do. As I pointed out to the Leader of the Opposition, and I repeat it for the member if he was not listening or could not hear me, we cannot, though I wish we could, determine the market for automobiles in the United States. That is beyond our capacity. We cannot determine the price of nickel in the international marketplace, nor can we determine its demand.

I would say to the member we cannot dictate to American purchasers how many combines or harvesters they are going to purchase.

I would say to the member we are quite familiar with the youth unemployment figures. I think we should point out to him that in terms of programs for youth in this province we have taken a back seat to no other provincial jurisdiction and that will continue to be the case.

Mr. Peterson: Mr. Speaker, how long do the unemployed people in this province have to wait before the Premier does something?

Hon. Mr. Davis: Mr. Speaker, that is rather a silly and infantile question. I have had reports on a couple of his tapes. Maybe he wants to get some people to research where Highway 1 is. I think he told Gordon Sinclair he would do that.

Maybe he could get a research assistant to read for him Duplessis by Conrad Black because he thought it too thick, too heavy, and could not accommodate it. One person who saw the program was not sure whether the Leader of the Opposition was preparing for his after-life by trying to get on Conrad's board.

Interjections.

Mr. Speaker: Order.

Mr. Cunningham: What has Conrad Black got to do with it? He is not answering the question.

Mr. Speaker: I was just going to say that those people who are doing the complaining must bear a lot of the responsibility for the responses. If you are not going to have any self-respect, how can you have any respect for the chamber?

The Premier may continue.

Hon. Mr. Davis: May I point out to the Leader of the Opposition that the budget of last spring, which was not supported by the members opposite, I know with some reluctance, as it relates to the housing sector did show a real initiative on the part of this government. I think it is beginning to have some significant impact in terms of the construction industry.

I think it is fair to state in terms of the dollars that have been allocated by way of lost revenue to the small business sector, in spite of their many problems one will find a lot of small businessmen in this province who are totally in support of that program. That does in fact relate to the economy.

I would say to the honourable member, and I repeat it once again, because I know he is embarrassed—I see even in Broadview the Liberal executive are advising their people not even to vote for his party; although he went to

the dinner with the Prime Minister the other evening, I understand, I know he is embarrassed by it—part of the real problem at this precise moment is that the government of Canada is not prepared to sit down with the other provinces, the other treasurers or ministers of finance, to come to grips with a national economic recovery program.

Our Treasurer has said that that is important prior to this government taking certain initiatives. If the Leader of the Opposition does not believe in that national concept, he should say so; but he should not really try to defend the government of Canada, he is making a mistake in doing so.

HYDRO RATES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Energy. He is aware that very soon Ontario Hydro is going to have to come out with its new rate increase for next year. He is also aware that many people will be looking at Hydro and at the increased rate to see whether the anti-inflation program of this province, the restraint program, is going to have real teeth and whether the Premier can indeed hold that rate increase to five per cent.

The Ontario Energy Board, in reviewing Ontario Hydro, did not have access to a number of the programs it wanted to review and felt it should review. It did not have details of the field contracts through the hearings. It did not examine the capital cost overruns. It did not examine in any detail the net income requirements and it was prohibited from examining the system expansion program.

Given the fact that there is probably a great deal of room to move in those areas, and the board has recommended no more than an 8.8 per cent increase, would the minister not agree with me that Hydro should be able to come in at no more than a five per cent increase to give efficacy and force to the government's program?

Hon. Mr. Davis: TransCanada came in with 16 per cent.

Mr. Kerrio: That's a copout and you know it. Hydro is out of control.

Mr. Speaker: Order.

Mr. Kerrio: It's the type of thing you do every time.

Hon. Mr. Ashe: Why don't you jump into the Niagara River?

Mr. Speaker: Order. It seems the Leader of the Opposition has some opposition within his

own ranks. I would ask the member for Niagara Falls to please—

Mr. Mancini: On a point of privilege, Mr. Speaker: I think that was a very unfair and very poor statement for the Speaker to make.

Mr. Speaker: Order. The member is out of order. Sit down, please.

Interjections.

Mr. Speaker: Order. The member will resume his seat, please. This is the oral question period. The leaders of the two parties have the first two questions. You all know that. If you are not going to respect that, maybe we can open it up to the private members. Maybe that should be given consideration. The Minister of Energy has been recognized.

Mr. Conway: On a point of privilege, Mr. Speaker: I recognize the concern the Speaker has expressed. I sat here and listened to that last exchange. I heard distinctly an intervention from my colleague the member for Niagara Falls, and I would not be fair if I did not acknowledge that. But I similarly heard two very distinct and repeated interventions from my friends the members for Durham West (Mr. Ashe) and Ottawa South (Mr. Bennett). I think they, too, have to accept some responsibility. I would hope that in your adjudication of these difficult matters you would take that into account.

Mr. Speaker: I will indeed, but the point I was trying to make was that the Leader of the Opposition was using the time allotted to him for asking questions. Now, the Minister of Energy.

Hon. Mr. Welch: Mr. Speaker, in response to the question of the Leader of the Opposition, I would point out, as we have pointed out on several other occasions, that the effect of Bill 179, presently being debated in the House, will apply to Ontario Hydro; there is no question about that. So the compensation restraint that is anticipated by the legislation will be applicable.

I would also remind the Leader of the Opposition that the whole question of 1983 rates was sent to and was examined thoroughly by the Ontario Energy Board. They have had full public review. The Ontario Energy Board was asked to come in with its recommendations as to a rate that would be the lowest feasible consistent with sound financial management with respect to the utility.

We now have the results of a public review of the 1983 rate with all of the interventions that were made. We now have the legislation, Bill 179, the impact of which has been communi-

cated to Ontario Hydro. As the member knows, by virtue of its legislation the Hydro board has the responsibility ultimately to establish the rate.

Mr. Peterson: I beg to differ with the minister. The reality is that we have not had a thorough public review of Hydro. I refer to the energy board report which stated, "However, the board must admit that system costs are heavily impacted by the capital program and that little can be done by the board in the way of economy measures to reduce such costs without effective participation in the determination of the systems expansion program," which they did not look at.

Last year it said, "It is recommended that an examination of capital expenditures and cost controls be undertaken by the board in the near future." In fact, there has not been a thorough public review by anyone, let alone the Ontario Energy Board, of all the cost components that go into Hydro.

I am asking the minister for that. Does he not feel we should have a thorough review? Since the energy board cannot do it, why would we not reconstitute the select committee on Ontario Hydro affairs to look into those matters thoroughly in order to keep the rates down?

10:30 a.m.

Hon. Mr. Welch: Mr. Speaker, I repeat that the Ontario Hydro board communicated with the Minister of Energy some months ago indicating what its revenue requirements would be for 1983. These are then communicated to the Ontario Energy Board in accordance with the legislation, and it is asked by the minister to review these particular requirements and the components that go into them and to make a recommendation establishing the lowest feasible rate consistent with sound financial management of the public utility.

The Leader of the Opposition quite properly makes reference to the fact that Hydro was invited by that board to review its capital program. As I responded in answer to a question last week from the deputy leader of the New Democratic Party, the Ontario Hydro board is in the process of reviewing its total capital program.

Mr. Foulds: Mr. Speaker, has the minister sent a letter to the chairman and the president of Ontario Hydro similar to the one he sent to the Ontario Energy Board, dated September 23, outlining in some detail the criteria for increasing prices? Can he table those letters in the

House, both the one to the Ontario Energy Board and the similar one he presumably sent to Ontario Hydro, since Ontario Hydro has the sole jurisdiction for establishing its own prices, because it is not bound by the decision of the OEB?

Hon. Mr. Welch: Yes, Mr. Speaker.

Mr. Peterson: The minister will be aware that counsel for the board put forward the argument that the revenue requirements of Hydro could be reduced by some \$260 million to \$304 million. In addition to that, the restraint program will save some \$53 million in terms of salaries over the next year. The combination of those two could easily bring any proposed increase into the five per cent range without any strain on Hydro.

Does the minister not agree with that? Why does he not issue those instructions to Hydro?

Hon. Mr. Welch: I hope the Leader of the Opposition has some confidence in the Hydro board responding to its mandate as set out in the legislation. I repeat once again, the effects of Bill 179 will be implemented and Hydro has been asked to take that into consideration when it make its final determination with respect to rates.

I do not have the report in front of me, but it seems to me there are several paragraphs in that report indicating that the Ontario Energy Board itself recognized the economic situation in which this rate application was being considered and applied that when it was coming up with its recommendation.

Keep in mind that on the basis of the revenue requirements that were submitted to the board, Ontario Hydro wanted an average increase of 13.9 per cent. After a very careful review, the energy board felt, having listened to all the interventions, after days of public hearings—and I am not sure whether the Leader of the Opposition attended any of those hearings; it might have been a good forum to express the opinions he has expressed in this House before the board that has some responsibility—

Mr. Peterson: I was there about the same amount of time the minister was.

Hon. Mr. Welch: It seems to me that after all that review the board came in with a recommendation that it felt Hydro could get along with revenue somewhat less than it had submitted by way of application, coming up with an average rate for 1983 by way of an increase of 8.8 per cent. That is a reduction of five per cent, even as a result of that particular hearing.

UNEMPLOYMENT

Mr. Foulds: Mr. Speaker, I would like to return to the Premier concerning the unemployment situation in Ontario. Can the Premier tell us very directly, without any equivocation, how he feels to be Premier of a province that is running contrary to the national trend of leveling off of unemployment and having an actual increase from 10.8 to 11.1 per cent?

Does he recall saying in his opening statement on Bill 179 that is now before us, "It is Ontario's view that sustaining and creating employment should continue to be this nation's highest priority"? If I understood him correctly in previous statements this morning, he said the federal government was not prepared to sit down and discuss unemployment.

Does he not think it is time for him to bring in a job-creation and job-sustaining program in Ontario within the next two weeks? Otherwise, the people of Ontario will be facing disastrous levels of unemployment through a very hard and cruel winter.

Hon. Mr. Davis: Mr. Speaker, I am quite familiar with what I said in that statement. The government of Canada has indicated so far that it is not anxious to sit down and meet, but I think the Treasurer (Mr. F. S. Miller) indicated he has had an initial discussion with the new Minister of Finance and has not totally given up on the possibility. He suggested he wanted some time before saying to me or to his cabinet colleagues that there is no possibility for any national approach to the situation.

I reiterated my request the other evening and I intend to continue to pursue that. I have not said that in my view that meeting will never happen. I have been discouraged to date that it has not, but that does not mean we will not continue to persist. That is the answer to one part of the question.

On the other part of the question, I am aware of what I said in the statement. Am I concerned as Premier of the province? My answer to that is obviously yes, although I would point out to the honourable member that one has to be fairly careful in drawing comparisons between our province and, say, Prince Edward Island or Saskatchewan, where the impact in terms of their economic base is somewhat different from ours.

I know the Leader of the Opposition gets upset when I compare our situation in a more realistic way to those states of the union that have a similar economic base to the one we

experience in this province, where their figures are really much higher than our own. The Leader of the Opposition is reluctant to mention that. However, during the last campaign, the former leader of his party took great delight in doing so until he got caught.

Mr. Foulds: Can the Premier tell us how long he is prepared to wait while the people of Ontario continue to go out of work at the rate of 500 a day, every single day, as they did in September? Why does he not take some initiative now so the people of this province can have some hope?

Hon. Mr. Davis: I think we have to be very realistic. The Treasurer is contemplating certain possible initiatives. As I tried to explain to the Leader of the Opposition, if one looks at those sectors where the unemployment figures have increased, they are sectors over which this government does not have control. That has to be understood by all of us.

I would urge the member to speak to some of his members from the Windsor and Essex county areas. There is no program that we as a province can introduce that will lead to an upturn in the auto sector in the United States. It is to be hoped the fairly recent reductions in interest rates, both in the United States and here, will begin to have some impact in terms of consumer confidence and the purchasing outlook in that country.

The member sometimes diminishes the efforts of this government in terms of what we have done. I understand that; it is his job. I would point out to the leader of the New Democratic Party—in an acting capacity for several weeks yet and I hope for several months—that he does not give us much credit for the initiatives that have been taken. Let us try to be fair on occasion.

Mr. Foulds: Name one.

Hon. Mr. Davis: I would ask the member to take a look at the auto sector, at what we have done with respect to the Ford plant in Windsor and what that has done. I would ask him to review very carefully with his Windsor colleagues the initiatives we took, along with the government of Canada, for the establishment of the diesel plant in Windsor which will be a significant plus in the short and long term.

Incidentally, that was opposed by the NDP members but it was supported by the head of the United Auto Workers of Canada because he knew exactly what was happening. That was an initiative that will have not only short-term but

long-term positive results for the employment factor there.

I could go through a litany of several other initiatives we have taken. I know the member is trying to hide a smile behind his hand because he knows we have done these things, but it is very difficult for him in his capacity to acknowledge it.

Mr. Conway: Mr. Speaker, some days ago the Treasurer indicated he had submitted a list of proposals to the new federal Minister of Finance in their first meeting. Since there is great interest in this House, and undoubtedly outside among the hundreds of thousands of unemployed Ontarians, to quote that lovely Clarkian phrase, about "the totality of the specificity" of the Ontario Conservative economic package, could the first minister of this government indicate to the House this morning what specific proposals his Treasurer put before the federal Minister of Finance some days ago?

10:40 a.m.

Hon. Mr. Davis: Mr. Speaker, I am not in a position to do that. I think the Treasurer did outline them in general terms. Some of that is public information. Some of the more definitive specifics he is not prepared to outline to the House until we get some reaction from the nation's capital.

Mr. Mackenzie: Mr. Speaker, does the Premier not realize that after seven consecutive months of increased unemployment in Ontario, seasonally adjusted, we also have well over 160,000 over the 504,000 who show as unemployed, the hidden unemployed who have run out of benefits in this province, and these figures do not show the trend we are seeing in cities such as Hamilton, where we will have another 3,000 out over the next couple of months?

Does he not realize that what we have, with the seven consecutive months of increased unemployment, is literally tens of thousands of additional workers over and above the current 160,000 who will be running out of unemployment insurance benefits this winter, exactly when their costs are highest, and the effect on their families is going to be most severe?

Does he not realize that if specific proposals are not put in place now, rather than the negative "I can't do anything" answers we are getting, we are going to have a real tragedy with tens of thousands of people not only out of work but out of benefits in Ontario and thrown on to the welfare rolls, with all that does to people and their families?

Hon. Mr. Davis: Mr. Speaker, I am quite aware of the figures and, with great respect, these are not separate but somewhat different issues. The honourable member is raising his concern as it relates to, say, in his community the number of people who are laid off at this moment, whether from Dofasco, Stelco, International Harvester or whatever company.

That relates, by and large, to market situations over which I think even he might quietly acknowledge this government has very little control. The issue he is raising concerns the position of these people in X number of weeks or months in relation to their benefits. I say that is a related but somewhat distinct issue. We are aware of that and quite concerned about it.

WAGE AND PRICE RESTRAINT PROGRAM

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations about his price review program, which purports to control prices by controlling profits.

Why did he take this approach of trying to control prices by controlling profits when the administrator of the program, Mr. Jack Biddell, does not believe it will work? I quote from an article Mr. Biddell wrote in January 1980 that is entitled, *Yes, We Can Beat Inflation in Canada: By Keeping the Prices Right*.

The article says: "My major concern is the futility and regressive effect of attempting to achieve price control through profit control. In my opinion, this approach greatly limits the effectiveness of any inflation control program." Mr. Biddell has argued instead for controlling prices directly. Why did the minister ignore that advice from Mr. Biddell?

Hon. Mr. Elgie: Mr. Speaker, as the member knows, Mr. Biddell has written extensively on the issue of wage and price controls. I think his philosophy is understood by most people. He has spoken in the past about the issue of price control in the private and public sectors. This government felt it had to acknowledge reality. It had to acknowledge that there were some components we could control and some we could not and that one thing we should be looking at, in the few regulated industries where profits are an element, is to make certain they do not increase beyond the five per cent level.

The member may not think that is an important part of the criteria, and that we should let profits be unrestrained during this period of respite from inflation. I know that is not the member's usual party philosophy, but if it is

their philosophy now, I am delighted to hear it. I hope the press will record that they are in favour of no control over profits.

Mr. Foulds: We would rather take the approach of directly controlling and freezing prices, and the minister well knows that. Does he not admit that on the price side, his kind of program is, and I quote from Mr. Biddell's article again, "A price control system that meets its political and administrative requirements far more effectively than it meets its primary objective—to contain price increases"?

Does he not admit that, according to Mr. Biddell, the administrator of his program, his kind of program is simply a political gimmick that does not meet its objectives?

Hon. Mr. Elgie: No, I do not admit that.

Mr. Bradley: Mr. Speaker, the credibility of the program is at stake. I realize we have dealt on a number of occasions with this political issue, but new revelations are coming forward to members of this Legislature about an increase in the Consumers' Gas price of 17 per cent and an additional cost in equal billing.

Could the minister tell us how he is going to ensure that costs such as these are explained to the public, or if he is going to have them rolled back so that people may see the program as being the credible program I am sure the minister wants it to be?

Hon. Mr. Elgie: Mr. Speaker, if that is what the member wants, I have no problem at all in assuring him and the public that the cabinet does, indeed, have the power to roll back prices.

But the member knows and I know that there are certain real cost pass-throughs that the gas companies face. There have been recent announcements about the equal billing practices of the gas companies from which we understand that by the end of August there will be a credit balance for some customers and a debit balance for others.

If there are any other issues related to a price increase that have not been approved by the minister, they will be referred to him initially and then to the cabinet committee for further review. There should be no doubt that any price increases will be reviewed.

Mr. Swart: Mr. Speaker, pursuant to Mr. Biddell's views, the minister must be aware that the Attorney General (Mr. McMurtry) has stated in writing that this assembly does have the power to "authorize the Minister of Consumer and Commercial Relations to regulate,

control or roll back prices in the province of Ontario."

I am sure the minister is aware that Ontario exercises much less control over prices than most other provinces. Examples are auto insurance, where four provinces exercise control, and milk prices, which are controlled by seven provinces. The minister will be aware, too, that I introduced Bill 153 as a private member's bill, an Act to provide for the Fair Pricing of Products and Services sold to Consumers in Ontario.

In the light of all this, and if the minister is at all sincere in wanting to limit prices, will he bring in legislation to provide such ad hoc intervention so he can control excessive prices?

Hon. Mr. Elgie: Mr. Speaker, the member knows well that the bill before the House with respect to prices relates to prices over which the government has some direct or indirect administrative control. It has no intention to introduce a private sector program, which the Premier has said very clearly is a program that has to be national in character.

Hon. Mr. Davis: Which the member would oppose anyway.

Hon. Mr. Elgie: Which he would oppose, no doubt. So let us not pretend that the member wants the national power to control prices and wages.

Hon. Mr. Davis: The member is caught on the horns of a dilemma.

Hon. Mr. Elgie: That is right. The member really is caught.

He has spoken about other things, such as insurance rates. I recall very clearly reading the Hansard of estimates in which he said, very proudly, that if the competitive forces were working then he thought that was great stuff. I can tell him that the competitive forces work very effectively in the insurance industry to keep the rates in this province equal to those in any province.

HEALTH CARE SYSTEM

Ms. Copps: Mr. Speaker, I have a question for the Minister of Health. I realize he is probably disheartened over the recent Conservative executive choices, but I hope he will stop lobbying and come back to his seat.

Mr. Bradley: He had about as much luck as Gord Walker in controlling the Tory executive.

Hon. Mr. Timbrell: You have not heard the expression, sarcasm is indicative of a diseased mind?

Ms. Copps: Would the former Minister of Health repeat that remark, please?

Hon. Mr. Timbrell: I will pray for you.

Ms. Copps: Please do.

Last weekend, the minister in his speech to district health councils across Ontario said, "Ontario has one of the finest health care systems in the world." It is unfortunate, but perhaps understandable, that the government members do not read Globe and Mail editorials.

Mr. Speaker: Question, please.

Ms. Copps: Nevertheless, in almost the same breath the minister said, "The ministry has been pressed into crisis management, creating a climate in which ad hoc solutions were the only ones possible in our system." Which is it? Is it crisis management or is it the finest health care system in the world?

10:50 a.m.

Hon. Mr. Grossman: Mr. Speaker, I must say I have not been able to travel the world, as the opposition critic has.

Mr. Bradley: Mr. Speaker, I know the Minister of Health would want to indicate to the House that when the member for Hamilton Centre travels, she travels at her own expense.

Hon. Mr. Grossman: Are you sure of that?

Mr. Speaker: In answer to the question.

Hon. Mr. Grossman: Are you sure of that, really? Do you really think she paid her own way to China and back? I expect the gallery will ask her afterwards whether she did or not.

Mr. Speaker: Now for the question, please.

Mr. Riddell: It sure wasn't taxpayers' dollars.

Hon. Mr. Grossman: He says she paid her own way. We will see.

Interjections.

Mr. Speaker: Order. Will the minister resume his seat, please?

The question before the House is not the travelling habits of the members. There was a specific question, to which the minister will address himself, please.

Hon. Mr. Grossman: No promises, Mr. Speaker. May I say that I do hope, however the member got to China, that the district health council of Peking did talk to her. I assure the member I did not instruct the district health council of Peking not to talk to her.

May I say that if she read the speech, and I am sure she did, it was a speech that was intended to reaffirm that our system remains one of the best health care systems in the world and that in

order to do that we cannot allow a plethora of special interest groups, who inundate us with very good projects from time to time, to force us into continued ad hoc decision-making. When we have a system where all we get are ad hoc suggestions for a variety of programs from a variety of groups, then the natural result is the same types of decisions.

I might say that this was adequately and, I think, perfectly reflected in the so-called report that the member for Hamilton Centre herself prepared. It was, indeed, not a strategy; it was not a plan. There was an analysis of a bunch of ad hoc concerns and a bunch of ad hoc complaints.

You need his help; do not tell him not to whisper to you.

Ms. Copps: He was talking about the Premier's Australian travels.

Hon. Mr. Grossman: Oh, was he? I see. Well, we did not get to China. That is all I can tell you.

In any case, I have the quote here. I was having so much fun I could not find it, but I will if she asks me a supplementary. I have the quote that the member made. I think it was to the Owen Sound radio station and the Owen Sound newspaper. If her member were here, we could confirm it with him. The Owen Sound Sun Times, I believe it was, quoting her from the radio station where—guess what?—the member said that Ontario has one of the finest health care systems in Canada. That we agree on.

Ms. Copps: This week in another speech the minister told the Ontario Dietetic Association that our problems were the fault of hospitals that were hoarding huge reserves of money while they were going to the government and begging for funds. Last week in a speech to the district health councils the minister blamed our problems on society for failing to reach a consensus on health care.

As far as I understand it—and the minister may correct me again if I am wrong—his government has been the government in this province for almost 40 years. His ministry has been delivering—

Interjections.

Mr. Speaker: Order.

Ms. Copps: His ministry, presumably, maybe not under his directorship but under the directorship of previous ministers who were equally as incompetent, has been responsible for developing rational policies.

How can the minister state, at the same time as he calls it the finest health care system in the world, that the system's provincial manager, the

Ministry of Health, has been pressed into a pattern of crisis management? Which is it? Is it crisis management or is it a situation where in the last month there have been two rapes that have gone untreated in Toronto hospitals? Is it a situation where a chief of surgery in a Toronto hospital is threatening resignation? Is it a situation where a hospital in Barrie is about to go broke?

Would the minister like me to repeat it? I will repeat it.

Mr. Speaker: Order. No.

Ms. Copps: At the behest of the minister, I will repeat it. How can the minister continue to mouth empty platitudes, notwithstanding his own words that this speech was not just a bunch of empty platitudes? How can he say he is not mouthing empty platitudes when he continues to put the blame for the problems in this system on other people, on other sources, and not where it should lie, which is directly in the lap of the Ministry of Health of this province?

Hon. Mr. Grossman: To quote my learned and temperate critic from the Liberal Party, the member for Hamilton Centre herself said—and she has saved me the problem of finding the quote because she has confirmed it today—that Ontario has one of the finest health care systems in the world.

I read Chairman Sheila's Red Book. I must say—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: I ask, not as shrilly as the member for Hamilton Centre, which is it? Is it the collection of overheard, overused, special interest complaints that she recited, including the complaint under that very comprehensive section: one page on doctors, where she did not have the courage to take a position as to whether we were paying the doctors too much or too little?

Mr. Van Horne: That's nonsense.

Hon. Mr. Grossman: The honourable member thought we were paying them too little when he was Health critic.

Mr. Speaker: Back to the question.

Hon. Mr. Grossman: Instead of being the courageous person that the honourable member held herself out to be during the Liberal leadership convention, she cited a doctor who said: "We work 72 hours. Sometimes we wonder what it is all about. The income—"

Ms. Copps: Why don't you just answer the question?

Hon. Mr. Grossman: What am I talking about? The member should not have asked.

I will just read the section for the member. Here it is, page 7. She could look it up, as they say in baseball. Here it is.

"On the subject of physicians' job dissatisfaction, Dr. Deborah Copes of the Medical Reform Group of Ontario wrote: 'Working longer hours is not what one wants to continually look forward to. Performing more services per hour is feasible up to a point, as a doctor becomes more and more experienced and more efficient with his time, but at some level the quality of service must begin to suffer. Charging higher fees is only possible now if the doctor opts out of OHIP.'"

What does the Leader of the Opposition say about that? What does he think? Is that consistent with his demand to us to bring them into the restraint program? Which is it?

Interjections.

Mr. Speaker: Order.

Mr. Breaugh: I hate these family squabbles all the time in here, Mr. Speaker. I want to ask a question—

Mr. Kerrio: Let the health councils be heard.

Mr. Speaker: Order. The member for Oshawa.

Mr. Breaugh: Watch the blood pressure, Vince. Don't let it get too high.

Mr. Speaker: It must be Friday.

11 a.m.

ONTARIO NEIGHBOURHOOD IMPROVEMENT PROGRAM

Mr. Breaugh: Mr. Speaker, I would like to ask the Minister of Municipal Affairs and Housing about an allocation of \$200,000 under the Ontario neighbourhood improvement program for the village of Richmond, which is rather remarkable considering that the city of Toronto received \$450,000.

How does the minister feel about these quotes from the widely read Stittsville News? Mayor Betty Hill of Goulbourn township says, "We did not qualify for a plugged nickel," and township clerk Greg Gagne says, "This application was not quite above board." How does he feel about that?

Hon. Mr. Bennett: Mr. Speaker, I have never tried to compare Richmond or the township of Goulbourn, which is the one we are really referring to, with Metro. I have looked at those

municipalities that really require the greatest amount of help and assistance in trying to improve the quality of services to their people.

The Ontario neighbourhood improvement program has been under way for some time. Prior to that, we had the community services contribution program, to which the federal government used to pay a portion and then it decided to withdraw and leave the responsibility to the province and to the municipalities to continue to upgrade services.

In the case of Goulbourn and Betty Hill, the mayor of that community, I am not sure whether she was completely and accurately quoted. I would not want to venture into that area. I leave that up to the local member. I have to say it is amazing in this particular year, a municipal election year, that there are a number of quotes going back and forth from those who are in office and those who would like to be in office. I do not intend to become the judge and jury as to who made what statements or why they were made.

I say very clearly that in the assessment of the application by Goulbourn, in the great eastern part of Ontario, I had it reviewed and analysed, and let me suggest very clearly to this House, so there is no misunderstanding, that the application is made by the municipality. Certain projects will take place if funding is provided through the Ontario neighbourhood improvement program.

In this case, Goulbourn did make the application, and it appeared in every way, shape and form to qualify under the criteria set down by this province for the allocation of those funds. In my assessment of the application during the past week or so, I reviewed the situation at the request of the Provincial appeared in every way, shape and form to qualify under the criteria set down by this province for the allocation of those funds. In my assessment of the application during the past week or so, I reviewed the situation at the request of the Provincial Secretary for Justice (Mr. Sterling). I give him full marks. He was far ahead of the member for Oshawa (Mr. Breaugh) in asking for the review. I gather that the minister reads the widely circulated Stittsville News.

Mr. Conway: As do the rest of us.

Hon. Mr. Bennett: I am sure there are a few in this House who subscribe to it.

Hon. Mr. Davis: We all do.

Hon. Mr. Bennett: I cannot imagine why the honourable member would not. He could see

some of the ads that are in there as well. I am sure there are one or two people in that area representing his political cause who are likely running for municipal office and he would like to keep track of them through that newspaper.

We did review the application, and I must say to this House that Goulbourn is entitled to the funding; I am sure that when they draw it down and do the work that is necessary, it will be for the long-term benefit of that community on the advice of their mayor.

Mr. Breaugh: I want to ask the minister about the role of the member for Carleton-Grenville (Mr. Sterling), who is quoted in the same Stittsville News as saying, "In the past five years the township has received more than its share of extra provincial funding." He also says, "I have always lobbied strongly on their behalf and will continue to do so." But then he goes on to say, "Unfortunately, I am left with no alternative but to ask the minister to hold all approvals until the application for the ONIP grant for Richmond is re-examined." Has the minister done that?

Hon. Mr. Bennett: Let me assure the House that Richmond is a great community. The town of Richmond has been a good, strong Tory empire for many years. George Dunbar, a former Minister of Municipal Affairs, came from that area. George Drew represented it federally. Indeed, the Bennett clan came from Richmond, so I might have some degree of partiality towards that community.

Interjections.

Hon. Mr. Bennett: Second only to Brampton, I will admit that. Goulbourn is a great, progressive community in eastern Ontario. I am sure the member for Renfrew North (Mr. Conway) would agree with that. We have a mayor there who does not usually express her views very forcefully—not much—and sometimes her verbiage is something that is easily understood by most people.

Mr. Conway: You and Charlotte made a much more charming couple.

Hon. Mr. Bennett: I beg your pardon.

Mr. Speaker: Never mind.

Hon. Mr. Bennett: There is a slight difference there.

Mr. Speaker: Back to the question, please.

Hon. Mr. Bennett: Yes, maybe it is just as well we let that one slip by. We will let the member for Renfrew North take on that responsibility in the relationship with the mayor from Ottawa. There are times when the member for Renfrew

North and she have somewhat similar political views.

As to Goulbourn and Richmond, I can assure the member that at the request of the member for Carleton-Grenville we have gone through and reviewed it. I say to this House, without any equivocation, we believe all the criteria have been met. Goulbourn will use the funding; it will upgrade the services that have been asked for.

DISPOSAL OF NUCLEAR WASTES

Hon. Mr. Norton: Mr. Speaker, I would like to supplement briefly for the honourable members the answer to a question that was raised in the House yesterday by the member for Niagara Falls (Mr. Kerrio) and the member for Hamilton Mountain (Mr. Charlton) and that had previously been brought to my attention by the member for Brock (Mr. Welch) relating to the Lewiston, New York, ordnance work site and the question of the report for the US Department of Energy done by the Bechtel Group.

In communication with the officials in the United States, we have now confirmed that report has been rejected by the Department of Energy. They have found it wanting in the investigative work as well as in the conclusions it reached. Apparently, the Bechtel Group have now been directed to go back to the drawing board and report mainly on the matter of containment and any health effects that might relate to the site.

Mr. Kerrio: Mr. Speaker, is it not very obvious to the minister that there should be some liaison in the future between those states that border on this great waterway so that we know when such things are being contemplated? Are we not fortunate, indeed, that they did not decide to go on with that armament site as a place to store their nuclear wastes? Is it not time the minister took the initiative and had some kind of rapport with our American friends to find out when these things are being considered in the future?

Hon. Mr. Norton: As a matter of fact, that clearly is going on through a number of agencies, including the International Joint Commission, as well as a variety of special working groups and task forces that have been established. The honourable member is well aware of the fact that there is such a group involving four governments—two national, one state and one provincial—directing their efforts primarily to the Niagara frontier area, the Niagara River.

The fact that we were able to get this information so readily and quickly is testimony to the

fact that there is a good flow of communications. In this instance, the report had been commissioned by the federal government in the United States. Presumably, since it had been rejected, there may have been no reason to bring it to our attention. But certainly communications are open at the moment.

LAWYERS' FEES

Mr. Nixon: Mr. Speaker, I would like to put a question to the Attorney General in the absence of the Provincial Secretary for Justice. As our chief law officer, will he give the House his opinion on the proposal from the county law societies that lawyers who do not charge the full tariff rate for their services should be barred from participating in legal insurance?

Hon. Mr. McMurtry: Mr. Speaker, I have read some newspaper comments with respect to the proposal, and a concern has been expressed by some members of the Law Society of Upper Canada in relation to the so-called allegation of fee cutting. I am not aware of just what, if anything, has been proposed in this area by the law society.

Obviously, there should be a very high degree of freedom for lawyers to charge to an individual client what they, as individual professionals, believe to be appropriate taking into consideration, as they must, the resources of the individual client as an important consideration.

I am not aware of any formal proposal from the law society to deal with this matter. Until I am a little more aware of the details, I really cannot comment any further.

11:10 a.m.

Mr. Nixon: I would be under the impression that the Attorney General would be better informed on these matters than most of us. All I can go on is the news report that the president of the Mississauga bar association, speaking for the presidents of all the county associations, has made this as a formal proposal.

I ask the Attorney General, is he aware that the Law Society of Upper Canada has recommended to its members that they hold their price increases to the federal ceiling of six per cent? They did that at the same time that they raised the professional fees for lawyers by 65 per cent.

The thing that must concern us is the possibility that, while they are to be commended for insisting that the increases be no more than six per cent, at the same time there seems to be a move in the profession to stop any lawyer who

might have the temerity to charge less than the agreed fee under those circumstances.

That concerns me, and I suggest that it should concern the Attorney General and his policy group so that there would be no possibility that this might become effective in this province.

Hon. Mr. McMurtry: I am a member of the Law Society of Upper Canada, as are some others of our colleagues in the Legislature, and none of us personally was particularly happy, I can tell my friend, about that 65 per cent increase in fees.

Interjection.

Hon. Mr. McMurtry: Hold it a moment. I would not say that.

Mr. Nixon: But you never heard about it. Just send the cheque, Roy; nobody will bite your head off.

Hon. Mr. McMurtry: It was a very unhappy announcement as far as I was concerned.

If the president of the county law associations is really serious about his proposal, I expect he will be communicating with me as well as with the law society. I think I share the tenor of the member's concerns. If they are serious about it, I think they will let us know. To date I have not heard anything from that association.

PUBLIC OPINION POLLS

Mr. T. P. Reid: I rise on a point of order, directed through you, Mr. Speaker, to the government House leader, concerning my question on the Order Paper relating to the tabling of public opinion polls taken by the ministry.

We have been through this a number of times before, but I am still missing a number of the polls, particularly from the ministries of Natural Resources and Agriculture and Food, the Provincial Secretariat for Social Development, the Ministry of Tourism and Recreation and some of those from the Ministry of Transportation and Communications.

I wonder, since the government believes so strongly in a freedom of information act, if the government House leader could bestir his colleagues to see that we get these polls.

Hon. Mr. Wells: I am just going from memory, Mr. Speaker, but I recall the answer to the question was that the polls would be released and that it would be up to the individual ministries to release them. I think my friend should ask the people who have not released the polls when they are going to do it.

Hon. Miss Stephenson: I do not have any.

Mr. McClellan: Mr. Speaker, I have a related point of order dealing with standing order 81(d), which deals with written questions on the Notice Paper. It states, "The minister shall answer such written questions within 14 days. . ."

I want to draw attention to question 230, tabled June 28; question 231, tabled June 28; and questions 232, 234, 235, 237, 238, 239, 242, 243, 244, 245, 246, 247, 248, 249, 250, 254, 255, 256, 257 and 258. There are 22 questions in all on the Notice Paper, some of which have been sitting there awaiting an answer since July 6.

I hope this does not mean the standing order is being deliberately violated. I am sure that this is some kind of terrible oversight and that we shall have some kind of an adequate response.

Mr. Speaker: I am quite sure the appropriate ministers will take note of your inquiry and will respond.

Mr. Boudria: On the same point, Mr. Speaker: I placed a question on the Order Paper on May 18. I was supposed to get an answer to it originally on June 3. Subsequently, that date was changed to June 30. It is question number 159. I am still awaiting a reply.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Robinson: Mr. Speaker, it is with some surprise that I find myself on my feet at 11:15 this morning. I say that with respect to the member for Downsview (Mr. Di Santo), who adjourned the debate last night after making what can best be described as lengthy remarks salient, I am sure, to Bill 179. I noted his attendance in the House this morning and was certain he would be continuing today. I hope this is in no way taken as any reflection of stifling of free speech by any member of this House.

I was concerned, though, as the member's remarks progressed, that his speech might outlast the control period identified in the bill; and it did come close. I was also concerned that these brief remarks, certainly brief by comparison to almost everything else that has been said to this point, which were fresh when they were written, could well be historical by the time they

were delivered. I am glad, though, to have the opportunity to participate in the debate.

By embarking on a program that restrains the level of compensation increases throughout the public sector in Ontario, this government will contribute to the lessening of the inflationary burden under which our country is suffering. It would be premature, though, to try to make any major pronouncements, or to make any guesses at this time, as to the exact monetary impact it will have in the long run.

However, I know that all members of this House are encouraged by the ongoing statements of the Treasurer (Mr. F. S. Miller), that the restraint measures proposed by him will have the effect of accelerating a drop in the inflation rate within the next six months.

I think we all realize that this province, or any other acting on its own, can achieve only limited successes in a war being waged against inflation and to save very real jobs.

The Premier (Mr. Davis) made it clear in his own remarks, and he reinforced it again today, that national recovery can be achieved only by a program that encompasses Canada as a whole and in which all provinces and the federal government work in concert. We can, however, accomplish certain objectives by acting on our own, and the legislation that has been introduced is something that can be enacted; that is our duty to the people of Ontario. As with many duties, and I am sure all members of the House will agree, this one may not be pleasant. If it were pleasant, it would probably be called something else. But this in no way diminishes the necessity of what we have to do.

While Bill 179 may be confined to the public sector in its power, this legislation will reach beyond the groups directly affected by it. Cutting down on inflation, the private sector will be able to create more jobs—jobs that are more productive than any public sector make-work scheme would be. This will benefit businesses not just in Ontario, but across the country.

We should not forget unemployment. It continues to run at a post-Depression high. Cruel as unemployment may be in this province, it is higher in the rest of Canada, in many other areas and in many specific industries.

To cope with the economic problems facing them, hundreds of companies in the private sector have already implemented some type of restraint program. According to one recently published newspaper article, 38 per cent of businesses surveyed had implemented some sort of restraint measures by the end of August.

One quarter of the businesses surveyed had already decided to either start or remain in a restraint program in 1983.

11:20 a.m.

All of us in this chamber know too well that many of the restraint measures the private sector employers have had to embark upon are much more severe and stringent than those being proposed by this or any other government anywhere in this country. The measures before us will make it easier for the public sector employers to afford to maintain existing levels of workers.

In all the statements made by my government there has been no suggestion whatsoever of having to cut down significantly in raw numbers. There has been no talk of layoffs, reduced work weeks or reduced money. That is not the case anywhere in the private sector. I am sure other members of this House realize that the only alternative to what we are doing would be a program that would involve significant layoffs.

I was pleased to hear my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) make mention this morning of the Law Society of Upper Canada, a society, Mr. Speaker, in which you have some personal and ongoing interest. I know you were as taken aback by his comments about increased fees as every other member of the legal profession in this House.

However, when we talk about groups that are related to the public sector and where the public sector may have some influence, it is important to note that the benchers did vote in convocation recently, late in September, to urge their whole membership to maintain their fees—even you, Mr. Speaker, if you were able to charge them, which you are not—at a level in line with the federal program. That is significant.

We rail upon the doctors. We like to single out the doctors. I think we have seen a very good example of members of a tradition-ridden professional group taking action into their own hands, restraining themselves and urging restraint on their members. I have confidence in the doctors in our province. I think they will come forth with a similar program in the very near future.

All the steps we have proposed under Bill 179 go a long way to maintaining the trust the private sector has in this government. If this kind of confidence-building can be made to work in every province, territory and at the national level, the country will be headed towards a speedier economic recovery. I believe employers from the private sector and the majority of

their employees have looked at the public sector and have raised serious questions as to whether governments are actually willing to take the necessary steps to control their own spending.

Mr. Boudria: I am glad you brought that up.

Mr. Robinson: And rightly so. I am pleased the member for Prescott-Russell is following along. Their displeasure has been mainly aimed at Ottawa. I am sure that is where I will lose the member for Prescott-Russell, because the fact is that the largest increases of spending have taken place at the federal level. Even the member for Prescott-Russell is nodding his head in agreement. I am glad to be able to do this today when he is here to be agreeable.

Although I was not a member of this House at the time the government of Ontario undertook special measures to control expenditure and public service growth back in 1975, I take members back to that budget, because it was then that the government announced a reduction of 2.5 per cent in the civil service complement. In addition, all ministries were required to absorb all in-year cost increases resulting from inflation. Government programs and organizations were reviewed as well with a view to streamlining or doing away with those that had largely outlived their usefulness.

That is a program that continues even today. I am sure some members here will remember that the hiring cuts imposed in 1975 produced a drop in the civil service of 2.4 per cent. What they may not know is that in the same year the Ottawa bureaucracy grew by 5.2 per cent.

Mr. Gillies: How much was that?

Mr. Robinson: By 5.2 per cent. I am sorry I am not speaking clearly enough for my friend the member for Brantford.

Mr. Gillies: No. I just wanted you to repeat that.

Mr. Cunningham: They dragged you kicking and screaming into the program.

Mr. Robinson: Just so we understand what those percentages actually mean before we become confused by exactly what we are talking about, in Ontario there was a drop of 2,000 civil servants in 1975. In Ottawa that 5.2 percentage, however maligned the member for Wentworth North (Mr. Cunningham) wants to make it, was an increase of 16,000 civil servants federally.

Since 1975, the size of the Ontario public service has actually decreased by 6.1 per cent or, in real numbers, we have decreased the public service in Ontario by 5,283 people. That

is a lot of people. That figure includes both classified and unclassified staff and other crown employees and dispels any myths that may have arisen that the number of our civil servants was decreasing while the number of people on contract was going up.

Figures were released again this morning, and I was trying to lay my hands on them during question period. I would not try to fool this House with the exact number but, once again, it is indicated that in the most recent reporting period there has again been a very significant increase in the size of the federal bureaucracy, even now when they are preaching restraint through section 5.

Mr. Boudria: Does Paul Cosgrove know the member is saying this?

Mr. Robinson: Who?

Mr. Boudria: He was your boss.

Mr. Robinson: I remember Paul Cosgrove. He was the minister who went down 19 positions last week.

Hon. Mr. Drea: Mr. Cosgrove is a friend of mine and he is a very fine minister.

Mr. Robinson: I am sorry. I have managed to offend the Minister of Community and Social Services (Mr. Drea) by speaking of his friend here in the House. I would not do that, I have great respect for Mr. Cosgrove.

Before we decided to debate the federal cabinet shuffle, I was going to say that in 1975 there was one Ontario civil servant for every 94 residents of the province. In March of this year, there was one Ontario public servant for every 106 people in Ontario.

Mr. Shymko: You must be kidding.

Mr. Robinson: I assure the member for High Park-Swansea that I would not kid him on an important matter like this.

These facts show that our government not only has a talent but also has a well-established tradition, which it is maintaining, for controlling the size and cost of government.

In recent years, the government of Ontario has ably demonstrated that it does not require a rapidly growing bureaucracy to maintain and improve service to the people of Ontario. I am sure no one would dispute that.

However, to ensure that none of my colleagues on the other side arrives at the mistaken conclusion that this government has taken restraint measures only in 1975 and again this year, I want to point out that the tight controls on spending have been with us constantly over

recent years. For example, 1976 saw a further reduction in the civil service complement, while again the federal bureaucracy grew by almost 6,000.

Internal cost-cutting measures also realized considerable savings for the government. Management controls were also tightened up. In 1977, the growth rate of provincial expenditures again decreased, even though a considerable number of new measures were undertaken to stimulate job creation. Government operations were further streamlined in 1978. In particular, the province reduced its borrowing from internal pension funds, allowing the money to be redeployed to the private sector.

Mr. Boudria: Talk about when you borrowed German marks and see how well you did that time.

Mr. Robinson: I like this style of debate, where I offer a point and the member for Prescott-Russell offers a counterpoint. This is really democracy in action.

Mr. Shymko: Talk about the expense accounts of some members. The member for Prescott-Russell could use some constraints and restraints.

Mr. Boudria: Go ahead. Why don't you talk about the service you are not giving to my constituents? See how far you get.

Mr. Stokes: And they are supporting you.

Mr. Robinson: That is right; they are supporting us. Thank you.

To continue, ignoring the interjections and having had that additional bit of assistance, in 1980 the size of the bureaucracy was again reduced and provincial expenditures again took a smaller proportion of the gross provincial product. By limiting hiring in the public service in recent years we have made significant strides in improving public service efficiency. Over those years, salaries and wages paid to our public servants and bargaining units have exceeded the rate of increase in the consumer price index. Only at management and senior appointment levels have salary increases lagged behind inflation.

11:30 a.m.

Even so, a greater proportion of this government's 1982 spending goes into salaries and benefits than in 1975. In 1975 about 10 cents of every expenditure dollar went for salaries. Today it is 11 cents. One penny on a dollar may not seem like much when looking at the overall level of provincial spending, but it becomes a very significant amount.

The members sitting across from us believe, and would have us believe day in and day out, that they are the only ones capable of deciding what is fair and what is justifiable. I am afraid sometimes, I am reluctant to say so, they want to make up their minds without consulting the historical facts, without looking at what has happened before. I do not have the time to dwell on the history of the subject and I am sure that will give them great pleasure in any event.

Interjections.

Mr. Shymko: The member for Downsview (Mr. Di Santo) had three days, so the member might as well take it easy and keep going.

Mr. Robinson: Despite what they would have us believe, I do have faith in the public servants of this province. I do believe the vast majority of them realize how protected they actually are in relation to their counterparts in the private sector. In the private sector one demonstrates if one loses one's job. In the public sector, it seems, one demonstrates if one gets a five per cent increase. That is a strange phenomenon. This is not an extreme example.

There are a great many private sector employers out there who are in no position to give their employees an increase of even five per cent. Private sector employees have taken various measures to restrain their own spending at a time when profits have fallen dramatically. These employers have had to increase hours of work without increasing pay, actually reducing salaries, reducing benefits and reducing the number of days or hours worked and paid. Their measures have been much harder than any that this government has proposed.

With any law in democracy, we do not expect everyone to be completely and wholeheartedly in favour. That is unrealistic. I have no difficulty in saying to this House that of the 70 of us who make up the government caucus, there was no unanimity in putting the program together. It would be foolish to believe that there could be in such a thing that has such dramatic and far-reaching effects. But we do believe that most people agree that such measures should be taken, if only as a starting point to economic recovery.

We also believe that those who disagree have many different ways of conveying their opinions, either through members of this assembly or other legitimate channels, but they might also want to consider, as we should too, in terms of that five per cent increase, in terms of what they call only a five per cent increase, that there are

more people in the public service of this province than there are unemployed. There are many qualified people out there who, without any hesitation whatsoever, would welcome the chance, would grab at the chance to be a member of the public service of this province with no increase whatever in this year or in the foreseeable future.

I promised to be brief and I have been. In conclusion, I was looking forward to hearing the remarks by the member for Ottawa East (Mr. Roy) which were to follow. However, as it is Friday, and this was probably too much to expect, we will now hear, I understand, from the member for Huron-Middlesex.

Mr. Riddell: Mr. Speaker, I cannot say I consider it a pleasure to participate in this debate. As I have listened to the many speeches, some of them very lengthy, particularly those from the New Democratic Party, I have really come to the conclusion that debating bills in this Legislature has become somewhat redundant. This place has become something of a joke, and I say this in all seriousness. It is no wonder that the people no longer want to participate in the political game when they know that the deck is full of jokers. Is it any wonder that we have to advertise to get people to go to the polls when they have lost their faith in the members, when they see the sheer hypocrisy that we see on the part of my friends on the left?

Why do I say that? We have heard my friends on the left say that the doctors should not be getting their increases. Yet when their leader, Bob Rae, was in my riding speaking to the Ontario Medical Association, he preferred to talk on the subject of preventive medicine. He really did not want to get involved in talking about the increases the doctors were permitted. Do members know what he did say in that regard?

Mr. Boudria: Tell us.

Mr. Riddell: This is an article that appeared in the *Toronto Star* on September 30, 1982, about the Premier (Mr. Davis) meeting with the doctors behind closed doors. I quote from the article:

"The doctors won't willingly perform the surgery Davis seeks. Last week OMA leaders told the *Star* that Davis had told them 'a deal is a deal' seven years ago when they sought to reopen a four per cent increase they'd agreed to at his request to lead the fight then against inflation. They said they'd remind him: 'A deal is a deal. He knows we remember.'

"Last night in Goderich New Democratic Party leader Bob Rae echoed that sentiment when he spoke to an OMA district meeting in Goderich. Rae said he wouldn't break any contracts to either private or public sector groups if he was in power. 'Promises and contracts made by government should be kept by government and by all other parties.'"

Here we have listened to every one of these members get up and say: "What about the doctors? Cut them back." Yet their leader is going out in the boondocks and saying, "No, leave the doctors' fees the way they have been contracted."

Mr. McClellan: Mr. Speaker, on a point of order: I am sure the member is either deliberately misinforming the House or is misinformed fairly grossly himself. At no time has any member of this party said that anybody on this side supports the notion of abrogating signed contracts, including the contract signed with the Ontario Medical Association with respect to the Ontario health insurance plan fee schedule. We have pointed out the hypocrisy of the program and we are opposed in principle to the entire program. We do not intend to play the politics of—

The Deputy Speaker: All right. Order.

Mr. Riddell: Mr. Speaker, that is just a further example of the convoluted arguments from these people that we have been listening to now for some time.

There is no question that the NDP is on the horns of a dilemma. They know that the popular vote is for a restraint program, but they argue one way in this Legislature because they want to consolidate their base support. But their leader is struggling for a seat in the by-election, and he hopes to get more seats in the Legislature if he does get elected, so he goes out into the boondocks and talks a different story. That is hypocrisy. That is the reason members of Parliament no longer have credibility with the people in Ontario.

11:40 a.m.

I have listened to the various debates on Bill 179. I did not realize that the assembly consisted of so many instant expert economists. We have the New Democratic Party, on the one hand, believing that inflation is not the problem which this country is facing, but that it is high unemployment which is the cause of the country's economic woes. The Conservatives, on the other hand, believe that inflation is the number one problem and that it must be wrestled to the

ground by putting an armhold on the public sector. Liberals believe that inflation, unabated, will drive this country into a deeper recession and that all of society must share the responsibility of bringing it under control.

I am going to deal with the economics of the situation. I will adhere strictly to the principle of Bill 179 and will not wander around like the NDP. I have listened to them talk about everything from the Vaughan township land severance deal almost to what was taking place in their own family life. We have heard everything.

I make no apologies about dealing with the economics of the situation because I read the Ontario Secondary School Teachers' Federation newsletter and their provincial executive memo. They listed all the members who voted "aye" and those who voted "nay" on first reading of the bill. I really think it is time that the people of Ontario, including teachers, realize that we are going through very difficult times and that one does not control inflation, which is the number one problem, I do not care what anybody says, by throwing money at it. So I am going to deal with the economics.

I have done a lot of research in my preparation of this speech, and when teachers come to to ask me why we voted in favour of a restraint program, I will give them a copy of my speech and say, "Now, you refute what some of the top economists in this country have said."

I really think that teachers, by and large, believe that we have to take measures to control inflation. Teachers came to me at the ploughing match which was held in my riding last week and said they understand the problem and that there must be restraints, but they are bitter because the problem is apparently to be fought on the backs of the public sector. They would support a restraint program if it was an across-the-board program pertaining to both wages and prices, and I would have to agree with them on that. It is unfortunate that the economic conditions of this country have reached the point where legislation of this nature must be imposed on the people of this province, or any province for that matter, but it is more unfortunate that we as a society have failed to learn from our past mistakes.

Not too many members of this Legislature remember the crash of 1929 and the depression which followed it. In retrospect, 1929 was the watershed year of the 20th century, the start of the Great Depression which swept away all that had gone before and which forever changed the economic face not only of this country but of

the world. Yet, by the latter part of 1979, only a half century later—the twinkling of an eye, as history goes—the world seems poised to change again. The post-Depression economic mechanisms which fostered great growth also set an inflationary fire that no one knows how to put out.

When I was taught economics at the Ontario Agricultural College, which at that time was affiliated with the University of Toronto but is now part of the University of Guelph, I distinctly remember my professor getting up and saying: "We will never witness another depression again because governments now know how to control it. We have gone through it, we have learned from our past mistakes and it will not happen again."

Hon. Miss Stephenson: What year was that?

Mr. Riddell: I graduated in 1957. I imagine the economics course I took was from 1953 to 1957.

Balanced against the government's intervention in everyday life that the Depression brought on is the growing demand for less intrusive government. The success of the Organization of Petroleum Exporting Countries has broken up the well-ordered industrialized world and has forced every nation to fight for its economic life for costly and scarce energy.

The world could change as completely between 1979 and 2029 as it did between 1929 and 1979. I imagine when the economic professors were teaching back in the 1950s they did not dream of the oil crisis; they did not dream of OPEC ever entering the scene. We are seeing an example of history repeating itself. Let us briefly recall the combination of causes that led to the last depression.

They included: a grievous miscalculation of the American monetary authorities which eased instead of tightened prior to the crash, spawning the inflationary bubble that burst in 1929; the spread of political unrest in Europe that sapped confidence as Naziism became a major political force in Germany; capital shortages in central Europe left over from the First World War which dislocated the channels of investment; the inability of the world's economic system to absorb shocks and adjust to changes, thanks to the actions of various governments to strengthen commodity cartels and labour unions; technical improvements in agriculture, which produced sharply higher yields and caused sharply lower prices for farmers, while the goods they bought were rising in cost; a proliferation of giant frauds in business; a change in attitude that led

to heavy borrowing by individuals, corporations, and government; economic policies that propped up weak businesses instead of allowing them to fail; and, finally, after the slowdown started, the imposition of trade barriers to protect domestic manufacturers, which also impeded the flow of goods and capital around the world.

Mr. Speaker, if you were listening to that—

The Deputy Speaker: I was.

Mr. Riddell: —considering the events which have taken place over the last 50 years, can one not see the parallel with the conditions leading to the Great Depression of 1929? Yet we hear our friends in the New Democratic Party asking for more government intervention and expenditure of money and, yes, even nationalization of industries and banks; more individual corporation and government borrowing; more consumer spending leading to more inflation; and more trade barriers to protect domestic manufacturers, the very things that led to the last depression.

If this country followed the NDP leadership, we would encounter a depression that would make the Great Depression of 1929 look rosy by comparison. I say that in all honesty, and I really think the people of Ontario would give very serious thought to the philosophy of these people on the left before they would ever decide to cast their vote for one of these characters.

Mr. McClellan: Talk about hypocrisy. Trudeau for what?

Mr. Riddell: I do not happen to be a member of the federal government. I happen to be a member of the provincial government and I am going to be dealing with provincial affairs.

Mr. Stokes: A Liberal is a Liberal, says Sheila.

Mr. Riddell: When my leader was speaking on second reading of Bill 179, the NDP, the instant economic experts they are, interjected throughout his speech, suggesting that high interest rates were the cause of our economic problems. The NDP does not seem to understand that high interest rates flow from an anti-inflationary restrictive monetary policy and are not a means within themselves of combating inflation.

In the opinion of some of the best economists in the country, and I have read many of their works, a restrictive monetary policy supplemented with temporary wage and price controls represents the best policy choice if society wants to permanently lower the inflation rate.

Mr. Cassidy: And look where they have got us.

Mr. Riddell: Economists who are far more knowledgeable about the subject than any member in this assembly—

Mr. Cassidy: They are totally confused.

Mr. Riddell: —believe that to lower the inflation rate and to sustain a lower inflation rate, the government must restrict the growth rate of the nominal money supply.

Mr. Cassidy: That's mumbo-jumbo.

Mr. Riddell: If you think you know anything about economics, then stand up and make a great speech.

Mr. Cassidy: I intend to.

11:50 a.m.

Mr. Riddell: I will be listening but I do not happen to think, apart from journalism, you have all that much knowledge about economics. Economists, let me repeat—I have to go back when I get these silly interjections—who are far more knowledgeable about the subject than any member in this assembly believe that to lower the inflation rate and then sustain a lower inflation rate, the government must restrict the growth rate of the nominal money supply.

Unfortunately, the adjustment costs of such an anti-inflationary restrictive monetary policy could be very severe. Gearing the economy down from a high inflation rate to a low inflation rate will in all probability entail a prolonged period of high unemployment and high interest rates.

Mr. Cassidy: But you don't care.

Mr. Riddell: Listen, I am interested in controlling inflation and getting this country moving again. I will not adopt your policies whereby we would continue to feed inflation to the point where we would end up in the worst depression the country has ever faced.

Mr. Cassidy: You are going to rescue the country on the backs of the unemployed.

Mr. Riddell: For such a restrictive monetary policy to be successful, it must accomplish two objectives. First, it must indeed lower the actual inflation rate. Second, and more difficult, it must lower inflation expectations. If inflation expectations are not lowered, then inflation will continue to feed on itself and any lowering of the actual inflation rate will be only temporary as firms and labour market participants continue to make price and wage decisions on the basis of a higher expected inflation rate.

The key element of any anti-inflationary

policy is wringing inflation expectations out of the economic system. Behind this painful adjustment path, accompanying a restrictive monetary policy, is the economists' ubiquitous assumption of a competitive market system. In particular, investment expenditures are assumed to respond to changing interest rates and inflation is assumed to vary with the level of unemployment. Under competitive market conditions, a declining rate of inflation requires excess supply conditions which can be generated either by increasing supply relative to demand or by reducing demand relative to supply.

Since aggregate supply is the result of a demographically determined labour force, a capital stock accumulated over many decades and technology, it is not easy for the government to affect aggregate supply, at least in the short run.

Mr. Stokes: Who wrote this?

Mr. Riddell: I will tell you I have researched work done by the economists and I have yet to run across an article where the economists would refute the things I am saying. If you can come up with it—

Mr. Stokes: How many did you consult?

Mr. Riddell: I got all the material and articles I could out of the library and I have yet to come across an economist who would refute the things I am saying. If you can do it, then get up and make a speech.

Mr. Kerrio: The Socialists made speeches in Sweden and every other country they ruined.

Mr. Riddell: And France. Any government-induced increases in aggregate supply to dampen the inflation rate are likely to be too little, too late.

Mr. Stokes: Like Dome or Maislin.

Mr. Riddell: No, I am going to be addressing that. I do not agree and many of my colleagues do not agree with pouring money into Dome Petroleum or into Maislin Transport. I happen to be one who does not particularly agree with bailing out Massey-Ferguson or Chrysler but I will have more to say about that. Just hang on.

Mr. McClellan: A Liberal is a Liberal is a Liberal.

Mr. Kerrio: A lot of Socialists are Communists.

Mr. Riddell: As a consequence, to generate excess supply conditions, the government restricts aggregate demand, investment, and consumer durable demand in particular, by raising short-term interest rates. Thus the term "anti-inflationary monetary policy" should be under-

stood as a euphemism for restricting demand, rising interest rates and rising unemployment. The cutting edge of an anti-inflationary, restrictive monetary policy is a large pool of unemployed workers who will increase the competition for jobs and thereby restrain wage and price increases. The economic cost of a tight monetary policy to lower the inflation rate is a short-run increase in the interest rate and the unemployment rate. The magnitude and duration of this short-term pain depends crucially on how quickly the market system adjusts to changing economic circumstances.

If wages and prices are relatively insensitive to changing aggregate demand conditions, then the short-run adjustment period will be prolonged. Given the likelihood of a painful and prolonged adjustment period accompanying a restrictive monetary policy, a number of economists have advocated the implementation of temporary wage and price controls along with a restrictive monetary policy.

Rather than waiting for the economy to slowly and painfully gear down to a new lower inflation rate under a restrictive monetary policy, the government could impose temporary wage and price controls to expedite its anti-inflationary monetary policy. The government could directly intervene in the economy to control the size of wage and/or price increases and thereby force the rate of inflation down to the government's new low target inflation rate. These are the measures the federal government and most provincial governments are taking in one form or another.

The sole purpose of a temporary income policy is to ease the economy down to a lower long-run inflation rate and minimize the cost associated with a restrictive monetary policy. If successful, wage and price controls would legislate the rate of inflation down to a new lower rate consistent with the new lower rate of monetary expansion and then hold it there until inflation expectations had been lowered. Rather than waiting for high interest rates and rising unemployment to slow the economy down and moderate the inflation rate, wage and price controls are used to force the inflation rate down directly.

Once inflation expectations have been lowered, the government could terminate its wage and price control program. If labour does not try to catch up with the lower government wage control rate settlements during the period of controls, the economy will remain at this new

lower inflation rate, which is validated by the new lower rate of monetary expansion.

To repeat, wage and price controls might alleviate some of the unemployment and high interest rate hardships that accompany anti-inflationary restrictive monetary policy. First, we have the restrictive monetary policy, and to expedite that so we can get the inflation rate down, governments then impose wage and price controls. It is simple and pure economics.

The New Democratic Party believes the way to tackle the inflation problem is from the supply side, especially by cutting taxes. The argument is simply that inflation results from an excess demand over supply and there is no sense in correcting that by the painful method of restricting demand, when it could be done by the pleasant way of raising supply. The answer is, of course, equally simple. What we can do on the supply side is not big enough to solve the problem.

We have demand growing by about 12 per cent a year and supply growing by about two per cent a year, which yields 10 per cent inflation. To increase the rate of growth of supply by 50 per cent from two per cent a year to three per cent a year, which is a difficult task, would still leave enormous inflation, especially if the increase of supply is accomplished by means such as cutting taxes, which at the same time increases demand.

Mr. Cassidy: Unbelievable.

Mr. Riddell: We will be waiting to hear from the member. If he cannot make any more contribution than he has made over the past 10 years since I have been in this Legislature, then I am sure I do not have too much to look forward to.

In simple terms, economists believe that whatever else may need to be done to bring inflation under control, it is absolutely essential to keep the rate of monetary expansion within reasonable limits. Any program that did not include this policy would be doomed to failure. There is no way of preserving its value if money is created on an excessive scale. High unemployment and high interest rates flow from this anti-inflationary monetary policy.

To expedite gearing the economy down from a high inflation rate to a low inflation rate, the government imposes temporary wage and price controls. It is unfortunate, however, that a policy of so-called monetary gradualism will not bring the inflation rate down without a major recession.

12 noon

As I listened to my friends on the left, they seemed to be saying that restraints should be removed and more emphasis should be placed on creating jobs than on controlling inflation.

The New Democratic Party does not seem to understand that giving up restraint would clearly mean more inflation and probably larger government deficits than we now have; and unless we are concerned only with a short-term recovery and a temporary reduction in unemployment, giving up restraint raises the question whether more inflation and larger deficits, incurred as a matter of policy with a view to stimulating the economy, are compatible with steady growth and high employment over the long run.

It is the belief of most economists that more inflation and large deficits are not compatible, as they used to be when inflation was lower and deficits were smaller, with steady growth and high employment. The debate over whether government should give up the fight against inflation in order to increase output and employment is, therefore, a false one for two reasons.

The first reason is general and has to do with the effects of inflation on economic prospects and planning. Capital investment is necessary for economic growth. It requires confidence on the part of investors and borrowers who spend, not to mention of lenders who save. But, of course, the NDP does not understand how business operates. They do not understand very much about capital investment.

Mr. Swart: We understand how you are operating now: going broke.

Mr. Riddell: This in turn requires as little uncertainty as possible with respect to future demand, supply, prices and costs. More and more capital projects are long term, both from the point of view of the lead time required to bring them into production and from the point of view of how long they will continue to produce from then on.

Inflation, and especially accelerating inflation which gives the impression of being out of control, destroys confidence in the future stability of the factors that determine whether an investment ought to be made or not. Inflation is unsettling to business and inimical to steady growth. Businessmen and bankers have made this point many times. No serious attempt has been made to refute it.

The governor of the Bank of Canada has said: "Inflation has not encouraged good economic performance. By adding greatly to the element of uncertainty in economic matters it has reduced

the chances of efficient planning. It has thereby militated against both current output and investment needed to sustain future economic growth.

"But the damage to our society goes much beyond this. The inflationary process is profoundly unfair and socially divisive. It rewards handsomely activities that contribute little or nothing to economic output at the expense of those who concentrate on productive efforts. It erodes people's trust in the fairness of the economic system and leads them to depend for protection on adversarial rather than co-operative reactions. Inflation melts the glue that holds free societies together."

More inflation will melt the economic fabric on which investor confidence depends all the faster. More inflation would therefore lead not to more employment but to less.

The second reason falsifying the debate over whether government should give up the fight against inflation has to do with the effect of inflation on interest rates. There are two rates to be considered: the nominal rate and the real rate, which is the nominal rate minus the rate of inflation. When we talk about historic interest rates at the banks, what we are talking about is the inflation rate plus about three per cent. That is the historic norm.

I think it can be taken for granted that the nominal rate cannot be deliberately held down below the rate of inflation. In the long run the real rate must be at least zero and probably positive. Although there have been negative rates of two or three per cent for short periods, for the authorities to try to maintain a negative real rate for a prolonged period would require an accelerated expansion of the money supply, which would itself be highly inflationary.

It follows that if the rate of inflation is 10 per cent a year, interest rates in the long run must be at least 10 to 12 per cent. If the rate of inflation rises to 15 or 18 per cent, interest rates must rise correspondingly. With inflation at 10 per cent a year or more, a positive real rate of interest can only be the result of some restraint and a monetary policy that, among other things, is intended to restrain inflation.

The historic norm for the real interest rate is three per cent, but over the last year or two in Canada it has been running at between five and 10 per cent. However, high nominal interest rates, even with a real rate of zero to two per cent, are disruptive. They frighten people, and most household budgets simply cannot accommodate them.

If business and consumers nevertheless do

borrow, it can only be in the expectation that inflation will continue and raise their prices and incomes enough to cover the high rate. Small businesses, farmers and everyone else with incomes that do not keep up with inflation pay the price. If inflation later subsides and a high real rate is added to high nominal rates, the burden becomes impossible.

Because of the uncertainty created in the last few years, long-term loans now carry variable rates. Five-year renewable mortgages were an innovation a few years ago, but three-year and even one-year mortgages are now the rule. The housing and auto industries are vivid examples of the havoc caused by high interest rates. Would-be home owners cannot afford the mortgage payments involved. The mortgage companies will not lend, because the buyers do not qualify, whatever their prospects for rising incomes in the future may be, and the housing industry withers on the vine.

People who bought houses five years ago at the then low interest rates are hit with huge increases, increases that are among the reasons trade unionists give to support higher wage demands. Meanwhile, thousands of people faced with mortgage renewals they could not afford have lost their homes. A healthy and growing housing industry is simply not possible with interest rates high enough to cover a high, let alone a rising, rate of inflation. The same is true of the auto industry and other consumer durables, which depend heavily on instalment buying.

High interest rates thus seem to be a key link between the two aspects of stagflation, which is defined as inflation on the one hand and recession on the other, and this is something we really have not encountered in the past. They are an inevitable consequence of inflation. By adding to costs, prices and the demand for high incomes they also contribute to inflation. At the same time they contribute to stagnation, because they inhibit the borrowing, investment and consumer spending on which growth depends.

Although the addition to inflation can be significant, and the national income figures for the last few years show that it has been, the restraining effect in the sense that, without high interest rates inflation would be worse, is even greater. If this were not so, it would logically follow that low interest rates would be a better prescription against inflation than high ones and zero interest rates would be best of all.

Proposals to lower interest rates in ways that would accelerate inflation are a contradiction in terms and would soon aggravate rather than

alleviate stagnation. It follows that if tight money and high interest rates will not cure inflation, neither will an inflationary loosening of the brakes cure stagnation. In other words, stagflation, which again is a combination of inflation and stagnation, does not consist of two separate phenomena, both of which happen by ill luck to be afflicting us at the same time. On the contrary, inflation and stagnation are two sides of the same coin; inflation contributes to stagnation, and stagnation contributes to inflation.

So this once again brings us to wage and price controls, which seem to offer the only way out of the tangle. The heart of the problem is to devise a controls program that is both fair and is seen to be fair, one that is at least grudgingly accepted by both business and labour.

A policy limited to the control of public sector wages does not pass this test. It is difficult to see why this particular group should be singled out for controls, especially when commercial sector wage settlements have been running slightly ahead of the noncommercial sector in the past year. Such a limited program may also be expected to have a correspondingly limited effect on the inflation rate.

An essential condition for success is that people subject to controls believe that others will also be subject to the same treatment. If everybody accepted a reduction in the rate of increase of their income at the same time, then wage and price inflation could come down together and people would not necessarily be any worse off in real purchasing power or living standards. If only one group in isolation accepts the lower income increase, then that group will certainly be worse off.

12:10 p.m.

While the Premier was sitting on the fence waiting for the opinion polls to tell him what measures he should take in Ontario to control inflation, my leader announced a program that was designed to fit in a national thrust and one that was equitable and fair. It did not single out any one sector of society; I have to stress that point.

Our program called for across-the-board wage and price controls notched at the lower levels of income as a first step, and only as a first step, to an economic recovery program. We also called on the government to practice fiscal restraint and to slash government waste, a feature of an economic recovery program which I will deal with later.

As I mentioned earlier, governments need to cut spending and reduce deficits despite the

objections about the political or economic difficulty of such measures. Too many of these objections are simply an excuse for avoiding the painful task of cutting back cherished government programs. Of course it is not fun, for those huge deficits are leaving too little room for interest rates to come down to where they should be. They are reducing the availability of funds for productive development of the economy.

Cutting costs has never been more important. If it is important in the sectors of society that create the wealth, it is even more important in the sectors that spend the wealth. A government that is not cutting its deficit and cutting inefficient, nonproductive spending is contributing more to the problem than it is to the solution. In spite of all the rhetoric about cuts, on the bottom line of too many government budgets the total expenditures continue to rise by 10, 15 or 20 per cent. It is simply unacceptable and it must stop.

After all the long years of deficit spending as an economic stimulus, governments need to adapt to current reality. If deficit spending is such a massive spur, we can hardly have a more stimulative fiscal stance than the current federal budget, but the state of the economy makes it plain that is not the answer. We do not need to talk just about the deficit spending of the federal government but by the provincial governments as well. If deficit spending ever did work, it is not working any more. Those who continue to feel that even more spending is what we require to get us out of trouble need look no further than the disastrous results such policies produced in France, and the recent abandonment of those policies.

Not only has the federal government been guilty of deficit spending, but the provincial governments have been just as guilty. The need for restraint extends to all levels of government, including municipal governments. Many municipalities in some provinces have already recognized the need, but all governments should be urged and encouraged to be just as hard-nosed with public spending as any citizen is with his own money at this time in our history.

Bill 179 is a first step in dealing with the problems that have developed over a period of many years and for which we are all responsible: governments and the private and public sectors alike. The attitude of individuals in business until relatively recent times has been to spend freely, disregarding the fact that the economic climate will not always be favoured with cloudless, sunny days.

Rather than getting 100 cents of productive value for every dollar spent, business has simply ignored good management principles, and rather than streamline, consolidate, automate, eliminate, defer or cut programs, services, work, procedures, projects and jobs, they have simply incurred more debt to meet the expenditures of doing business, assuming that there will always be a demand for their product and services at any price.

Business could get away with this type of management during the good times that followed the Second World War, but this practice, combined with the industrial revolution in other countries, contributed to inflation.

The resulting effect of inflation is that it has radically changed our spending and financing patterns. There are corporations and consumers whose debt loads are too high. There are cases where the lack of discipline that inflation allows has put productivity out of whack with international competition. Those distortions and excesses have to be corrected and in fact are being corrected, however painfully.

Corporations of every stripe are trimming costs and re-examining budgets and spending plans to see where money can be spent more productively and efficiently. The financial situation of many businesses is still weak and various actions by management in restraining costs is a vital first step towards recovery.

Personally, I do not believe governments are helping the situation by bailing out businesses that are on the verge of bankruptcy for no other reason than mismanagement and failure to do a complete re-examination of how they do business in a changing economic climate. I firmly believe the federal government made a mistake in bailing out such businesses as Dome Petroleum and Maislin Transport.

Although I do not get unanimous support from my own colleagues, I feel the provincial government, by bailing out Massey-Ferguson and Chrysler, has set a precedent which is going to be difficult to live with. I am sure there will be other businesses lining up for government hand-outs. At what point does the government cut off the list? I will have more to say about government's contribution towards inflation in a minute or so.

Another thing that greatly disturbed me was the way the then Minister of Industry and Tourism (Mr. Grossman) handled the White deal. He has turned that company over into the hands of an American concern that does not

give a damn about the prosperity of that company in this province.

As far as I am concerned—and I have heard it from several sources—the person who ended up getting that company could be considered nothing less than a con artist. I am told he will milk the system in this province and then he will declare bankruptcy, retreating to the United States, having made all the profit he can out of the system.

My colleague questioned the minister about this deal. He tried to encourage the minister to keep that company under Canadian ownership. But the guy who ended up with ownership was just a notch smarter than the minister. We are going to see that company milked to death and the chap will retreat to his own country, having made all he could possibly make out of it. I think it is a crime.

Not unlike corporations, individual Canadians have been cutting costs as well as revising their lifestyles: bringing debts under control, altering consumption patterns and delaying major purchases. It has been a slow process, but individuals finally have come to the realization that they must be extremely sensible and careful about managing their finances until such time as the clouds of recession pass by. Even then, it is to be hoped that good management will prevail in order to avoid another round of inflation.

In the public sector, there are two methods available to fight inflation. One which I have already alluded to is monetary restraint. The other, which I want to deal with briefly, is fiscal restraint.

If ever there was a finger to be pointed at the major cause of inflation, it must be pointed at governments. As far as fiscal restraint is concerned, the record of governments has not been good. It is a simple fact that governments need to cut spending and reduce deficits and they need to start now.

Before the NDP accuses me of advocating a cutback in social services, I want to say that in these times of economic hardship the government commitment must be, first, the reinforcement of the safety net for those who fall victim to hard times and, second, the development of an industrial strategy that will create jobs.

Until 1973, growth in the post-war economy was relatively sufficient to support the expansion of our social services. What has happened since then is that we have not reinvested enough in our economic engines to support the social programs we have in place. It is not that government has spent too much on social

programs; our sins are sins of omission. We have failed to ensure the modernization, innovation and industrial development that is so necessary to sustain our social commitments.

12:20 p.m.

The knee-jerk reaction that we can solve many of our problems by throwing money at them will not bring a long-term cure. Yet we need more money, but not printed money or borrowed money or even taxpayers' money. What we urgently need is new money, new money from new wealth, new revenues from new industries, and new income taxes from new employment.

We need a two-pronged policy of more assistance to those who are suffering most from the economic crunch and more assistance to enterprise that can produce real wealth for our people by competing effectively in the world.

Not too long ago, Larkin Kerwin, president of the National Research Council, said that a real commitment to research and development could produce 650,000 jobs for Canadians. High technology, sophisticated manufacturing processes, resource husbandry and development, skilled manpower training, the information society—these are the places where governments with a singular determination should be investing for people and encouraging investments by people. Rather than throwing money at the problems first, we should be putting money into the solutions.

Let us take a look at the Ontario government's priorities over the last number of years. During the 1970s, the government spent \$1.9 million of taxpayers' money on public opinion polls. They still have not learned. They are still governing by public opinion polls, and it is a sheer waste of taxpayers' money.

There can be no question in anyone's mind that the Premier and his crew govern by public opinion polls. In the 11 months preceding the 1981 election, the government spent a further \$609,737 on 25 polls to decide when the election should be called and what goodies it should hand out to woo the voters.

The government has invested a total of \$508 million in land banking schemes, some of which are now being used to grow poplar trees and some of which are in direct competition with housing developments in the private sector. Various royal commissions set up by the Ontario government have cost Ontario taxpayers over \$22 million. While some may have been justified, at least one produced 87 recommenda-

tions, almost all of which were totally outside the jurisdiction of the provincial government.

The government spent \$20.7 million on advertising in 1979-80 and, in 1980-81, the year preceding a provincial election, it spent \$34.3 million advertising government programs. I will admit that some government advertising is justified, such as providing information to the general public that Ontario health insurance plan premium assistance is available.

However, the government is wasting taxpayers' money with advertisements telling people to get out and vote in the municipal elections and telling people that Ontario is a wonderful place to live and that they should preserve it and conserve it. People do not need to be told that Ontario is a wonderful place to live. If they thought it was any different, then I am sure they would pull up roots and establish elsewhere.

The government's imposition of regional government and centralization of school boards has resulted in escalating local government costs in some areas. The building of new schools during the good times was a pet plan of the member for Brampton (Mr. Davis), both in his capacity as Premier and in his former portfolio as Minister of Education.

The end result is that we have witnessed over the past few years the closure or part closure of schools throughout the province. On one hand, we have built all these wonderful luxurious schools and on the other hand, when times started to get tough, we decided we were going to close or partly close these schools.

In the same vein, luxurious hospitals were constructed throughout the province with what seemed to be a never-ending supply of money during the good times. However, when the economic climate changed, we saw a concerted effort on the part of the government to close hospitals. The people of rural Ontario will never forget this government's attempt to close their hospitals, which were being cruelly used as scapegoats for the government's past mistakes.

If ever there was an incredible waste in government spending it was in the purchase of Minaki Lodge in northern Ontario. To protect \$550,000 in loans from the Northern Ontario Development Corp., the government purchased Minaki Lodge. Since then the lodge has come to represent a public investment of about \$25 million. An additional \$13 million was spent fixing a road leading to Minaki Lodge and I am not certain that they have bedrooms in the lodge for people to sleep in.

Finally, the purchase of a \$10.6-million exec-

utive jet at this critical time in our history simply boggles the mind. We welcomed the announcement by the Premier that the Ontario government had cancelled the jet, but we all know there will be costs associated with this cancellation.

I have mentioned various government projects which could be considered nothing more than thoughtless and wasteful expenditure of taxpayers' money. If time permitted, numerous other projects could be mentioned as well. The selling of the jet and the offer to sell some of the land owned by the government should be the first step in a series of cutbacks in wasteful expenditure in the interests of a serious restraint program. It is time for the government to swallow its pride, admit its mistakes and prevent any further drain on the taxpayers' pocketbook.

Before concluding my remarks—and I have not said too much about the farming situation at this time—I will read into the record a letter which I think sums it up very well. This letter was written by Dianne Harkin, national co-ordinator for Agri-Food Week being sponsored jointly by the Ontario Federation of Agriculture, Women for the Survival of Agriculture and the Canadian Advisory Council on the Status of Women. It is not very long.

"At this point in our economic crisis, Canada has a choice to make. We can continue to waste money on nonproductive and inefficient government programs such as large corporate bailouts, energy self-sufficiency and ad hoc work programs which provide only a temporary stall in our economic decline, or we can start to recognize the importance of the basic resource industries that built this country and made it prosperous, such as agriculture, forestry, fishing, mining, etc. By stabilizing and supporting these industries now, we can stop the economic decline, re-establish our base and get on the road to recovery.

"Let us take agriculture as an example. According to a government study, it was found that for every \$1 million generated by farmers into the economy, 100 other people in the nation are provided with jobs. This means that in 1981, 1.7 million Canadians were employed because Canada's 318,000 farmers generated approximately \$17 billion into our economy.

"However, since 1980, because of high interest rates, spiralling input costs together with disastrously low selling prices for many commodities, net farm incomes have eroded. Many farmers have gone bankrupt and most others have had to sell off assets, increase their debt

positions, seek off-farm employment or reduce their purchases.

"The net effect is less money being circulated into the economy at the grass-roots level. This is destroying rural Canada and is now penetrating our urban society with increasing thousands being laid off at companies like Massey-Ferguson, International Harvester, Dofasco, Stelco, railways, etc., etc. The ripple effect continues to the smallest of businesses and to individual Canadians. Agriculture's \$130-billion capital investment is probably the largest of any industry in Canada. Affect the farmer's purchasing power and you have serious economic problems.

12:30 p.m.

"According to Agriculture Canada's July forecast, net farm income is expected to decline again for 1982, this time by 17 per cent. This is a reduction of about \$700 million, leading to approximately 70,000 more nonfarm jobs lost. A further decline is also expected for 1983.

"Financial restraint is only part of the solution. Stabilizing the economy through support of our essential basic resource industries is also necessary if economic recovery is wanted."

I believe I referred to this in my speech, Mr. Speaker. "Preserve the base now or perish tomorrow."

"Emergency income stabilization programs are immediately required for many farm commodities if society wants these farmers to survive. Farmers cannot wait any longer for their provincial and federal ministers to decide on realistic national programs. Nor can the country survive as a whole if the separate and unequal provincial stabilization schemes are allowed to continue. Federal and provincial jealousies and differences must be set aside to resolve these problems in agriculture today. We must also stop listening to the ridiculous debate on marketing boards and meaningless environmental issues by the space cadets in our society.

"Low farm commodity prices are the result of a surplus supply. But farmers are in a catch-22 situation. They cannot afford to grow the crops, nor can they afford not to. Society has benefited from the production efforts of our farmers for a long time, but now comes the time when society has to share the costs and risks in order that we may all prosper again. Canadians may have to pay farmers not to grow crops, buy up surpluses, increase exports or share in some way the cost of stabilization and recovery.

"Our government financial and investment policies have led to a situation where we are deeply concerned about the lack of foreign and

business investment, yet we understand that Canadians' personal savings accounts now total into the billions of dollars. Imagine the potential if government business investment incentives were changed. Imagine the potential for job creation if individual Canadians could receive tax advantages through investment in certain industries. We did it for the Canadian movie industry. Imagine if agriculture, food and other important basic industries could be partly unburdened from their high interest costs. Farmers alone paid \$2.2 billion in interest costs on their debts in 1981, an increase of \$600 million from 1980. It would seem that more Canadians would benefit by having that money percolate up from the grass roots rather than go directly into financial institutions.

"There are many other possibilities that can be explored. For example, in 1980 Canada exported close to \$8 billion in food products and imported about \$5 billion worth. This gave Canada a trade surplus of \$2.7 billion, a very positive gain. However, about \$3.5 billion of these imports consisted of identical products grown in Canada. Buying Canadian-grown and processed products could have provided an additional 350,000 jobs in the nonfarm work place. There is also great potential in export sales in the future.

"Let's rearrange our priorities while there is still some remaining hope and confidence.

"As goes agriculture, so goes the nation."

In conclusion, I want to say that controlling inflation in this country is everyone's responsibility. Inflation cannot be fought on the backs of the public sector alone. It has been clearly stated in articles that I have read on the matter that, whatever else may need to be done to bring inflation under control, it is absolutely essential to keep the rate of monetary expansion within reasonable limits.

To expedite its anti-inflationary monetary policy, government imposed wage and price controls. I believe the wage and price controls should have been a mandatory national program and should have included both the public and private sectors. Failing that, the provincial governments have a responsibility to implement such a restraint program. Unfortunately, the Ontario government has chosen to fight inflation on the backs of the public sector.

We in the Liberal Party will be supporting the principle of restraint as only a first step towards an economic recovery, but we will endeavour to amend the bill to make it fair and equitable for all. We will also be encouraging the Ontario

government to take the challenge of reindustrialization seriously. We have half the formula right: we are starting to restrain consumption and wage demands in the fight against inflation. But the second stage of the fight against inflation is productivity and real economic growth. What we cannot and must not restrain is investment—

Mr. R. F. Johnston: Especially foreign investment.

The Acting Speaker (Mr. Cousens): Order.

Mr. R. F. Johnston: We are just agreeing with the honourable member.

Mr. Riddell: The Minister of Labour (Mr. Ramsay) stood up and made a little statement in the House. It is unfortunate that kind of statement had to be made, but I will tell the honourable members, there is far more truth than fiction in what he had to say.

The Acting Speaker: I will not ask which statement. Please continue your presentation on Bill 179.

Mr. Riddell: I am pleased that you do not, because I was just about ready to give it.

Let me repeat: We will also be encouraging the Ontario government to take the challenge of reindustrialization seriously. We have half the formula right: we are starting to restrain consumption and wage demands in the fight against inflation. But the second stage of the fight against inflation is productivity and real economic growth. What we cannot and must not restrain is investment in human and physical capital and in intellectual and natural resources.

Whether the restraint on wage and prices is six and five or nine and five, it should be balanced by a much larger percentage to be spent on research and development. It is in this sense that governments must implement policies of growth, not restraint, and strategies of investment rather than retrenchment.

Mr. Conway: On a point of order, Mr. Speaker: Before my friend for Welland-Thorold (Mr. Swart) rises in his place, and in the presence of the member for Riverdale (Mr. Renwick), I want to express my personal surprise as one member who over the past three days has sat listening attentively and at some length to our colleague the member for Downsview (Mr. Di Santo) that the member for Downsview did not appear today to conclude his 40 hours of observation on this bill.

The Acting Speaker: That is not a point of order.

Mr. Swart: Mr. Speaker, if the honourable member had been listening to our colleague the member for Downsview and if he had looked at the last paragraph or two of the Instant Hansard of our colleague's remarks, he would have realized that our colleague was winding down his speech at that time.

Mr. McClellan: Mr. Speaker, speaking to the point of order: I had understood that my colleagues in the Liberal Party were anxious to have some time to speak in the debate. They were accommodated by the member for Downsview, who yielded his place. In the face of such ingratitude, I can only ask the member for Welland-Thorold to remedy any injustice that may be felt on the part of the members of the Liberal Party. He will now proceed to do that.

12:40 p.m.

Mr. Swart: I just want to say to you, Mr. Speaker, that I obey the orders of my whip.

The Acting Speaker: And of the House.

Mr. Swart: I rise to speak on this bill with a mixture of anger and pleasure. After listening to the member for Huron-Middlesex (Mr. Riddell), perhaps I have a bit more anger than pleasure. My anger is really at the government for bringing in this kind of a bill. My pleasure is that I have the opportunity in a free society to get up and speak against such dictatorial legislation.

I also want to say that I rather enjoy speaking after the member for Huron-Middlesex. I was a bit surprised at the right-wing nature of his speech. I should not have been. After listening to him, all I can say is: "Move over, Ronald Reagan. Jack Riddell is coming through." I noticed he was applauded by the Conservatives over there, especially the right-wing Conservatives. Occasionally, he was not even applauded by some members of his own party. I doubt very much that he speaks for all members of the Liberal Party in the comments he made. He certainly was not speaking in a Liberal way.

It has been the practice of many of the members in this party to speak at substantial length on this bill, and I have just been given my marching orders on this. Actually, I did not need them, and neither do our other members here; we think this bill is pretty serious. Personally, I think it may be the bill with the most serious consequences of any bill that has been brought before this Legislature in the seven years I have been a member.

It is a philosophical bill. It sets out the Liberal and Tory philosophy for dealing with Ontario's

economic problems. There can be no question about that. This is the first piece of legislation we have had before us that is meant to deal with the economic problems we are faced with in our society. It makes it perfectly clear that the Liberals and Conservatives—and it does not matter whether it is the Liberals in Ottawa or the Liberals here on this matter—think the first priority in fighting our major economic problems is to impose wage restraint on the public sector. There is no question about that. The federal Liberals did it under their six and five program, and now the Tories are doing it here under their nine and five program.

We should clearly understand, and I think we all do, the difference in the positions between the parties here. The Liberals are supporting this legislation but say it does not go far enough. They want it to go all the way: wage controls generally across our society. The Tories have stated they really want that too but, as a first measure because of the difficulties a province has in dealing with general wage controls by itself, they have not gone that far.

Let us not make any mistake about it, and let us make it equally clear, we in this party are opposed to this. When the member for Huron-Middlesex talked about this party, he made it very clear in his statement that, somehow or other, we were supporting public sector wage control but did not want to reduce the doctors' incomes. Nothing could be further from the truth. We object to all of this. We believe contracts should be honoured. There is no question about that. The member for Bellwoods (Mr. McClellan) made it clear in his point of order.

We are going to point out, if the government is bringing in wage controls for the public sector and leaving the doctors out, that there is something unfair about that, is there not? Wage controls themselves are unfair, but the government is compounding the unfairness; that is the point our members have been making. But no member in this party will stand up and support the wage controls and the breaking of contracts in any manner.

Nothing so clearly separates us from the Liberals and the Tories as this bill does. I guess the member for Huron-Middlesex made that very clear. It is not just on the issue of wage controls that we disagree; it is because this is their first, foremost and only answer to the three problems of inflation, economic stagnation and massive unemployment, the only answer to date of the Liberals federally or here, or the Conser-

vatives, to the tremendous economic problems that we have in our society.

By contrast, we are convinced that this measure will worsen the economic situation and really do nothing for inflation. In fact, we say this bill is dangerous, because it really turns the focus of the Liberal and Tory governments, as they want it to do, on unions and wages instead of on the real issues and on the real solutions. It creates a red herring. It creates a target. It creates a scapegoat.

The member for Huron-Middlesex indicated this when he was speaking. He was talking about the problems of the farmers, and he was saying that interest rates had to be high. Go out and talk to the farmers about that. Here is an agriculture critic for the Liberal Party saying, "Yes, we must have high interest rates to fight inflation." I am not misquoting him; that is what he said. Then in his next breath he is saying: "It is the unions and the working people who are causing this inflation." So he is using them as the target, particularly the public sector.

An hon. member: On a point of order, Mr. Speaker—

The Acting Speaker: The member for Huron-Middlesex cannot have a point of order. He is not sitting in his place.

An hon. member: On a point of privilege then.

The Acting Speaker: No. You are not in your place.

Mr. Riddell: All right. I will move back to raise a point of privilege, Mr. Speaker. I defy the honourable member to get a copy of Hansard and show where at any time I stood in my place and blamed the labour unions for the situation we are in today. I defy him to do it.

Mr. Swart: Mr. Speaker, I can read Hansard, and he can read Hansard. Whether he intended to say it or not, the blame was put on the working people and the unions for the present situation.

Mr. Riddell: I want to see that, because I say you are lying.

Mr. Swart: The member can see it and read it. He will get his opportunity.

The Acting Speaker: Order.

Mr. Stokes: Did you hear that?

The Acting Speaker: Did the member for Huron-Middlesex use some unparliamentary language?

Mr. Riddell: I guess maybe I did, Mr. Speak-

er. I said he was lying. I guess I am entitled to my thoughts, but in words I will withdraw it.

The Acting Speaker: Thank you very much.

Mr. Swart: It is just as well, because he is wrong anyway.

Mr. Riddell: You prove it, Swart.

12:50 p.m.

The Acting Speaker: Order, please. We have 10 minutes to go.

Mr. Swart: I have a lot more than 10 minutes to go, Mr. Speaker, but we will do the rest of it on Tuesday.

The fact is that the member for Huron-Middlesex did defend high interest rates in the fight against inflation. The single greatest problem facing the farm community, the single greatest problem that has caused bankruptcy is high interest rates, and he is defending them and trying to put the blame on high wages and public servants.

The government, with the assistance of the Liberals, is trying to find a scapegoat. They think it is popular, as my colleagues have said frequently, and this is the real reason for the bill. It is a political bill. It really has nothing to do with the reality of the situation. The polls showed the public was in favour of some kind of wage restraint; so this bill was introduced. Of course, public employees can always be bashed. That is acceptable to the public. So this bill is designed to serve a political purpose.

I do not think, at least I did not think so up until the member for Huron-Middlesex spoke, that the Liberals, and perhaps even the Tories, believe this provides the answer or any part of the answer to our economic problems. It is just a political move designed for political purposes.

Interjections.

The Acting Speaker: Order.

Mr. Breaugh: There's a demonstration in the front benches over there. Throw the Minister of Health out. He's creating a disturbance.

Mr. Swart: It is a good thing there are two security people standing beside him. They are in the right location.

Mr. Breaugh: Grab him and hustle him out of here.

Mr. Foulds: How's your riding office, Larry? Crowded?

Hon. Mr. Grossman: It's always crowded. They get service in my place.

Mr. Foulds: Crowded with your head.

The Acting Speaker: Order.

Mr. Breaugh: Throw him out. Clear the front benches.

The Acting Speaker: Order, please. The member for Welland-Thorold has the floor.

Mr. Shymko: On a point of order, Mr. Speaker: I am trying to follow the logic of the member for Welland-Thorold, but there is disorder here, and I would like to have some order.

The Acting Speaker: I really would like to have the member for Welland-Thorold continue.

Mr. Swart: Mr. Speaker, I really do not mind being interrupted by the members in this corner of the House, because whatever they say makes so much sense, and they feel so strongly against this bill we have before us, especially against the Liberals, who rise with great hypocrisy and try to criticize this bill.

I have to say that the member for Huron-Middlesex was one member who was not hypocritical. I have to say that for him. He has said, for all the world to hear, that there should be high interest rates. It does not matter if farmers go bankrupt, it does not matter if small business goes bankrupt, there should be high interest rates.

Mr. Riddell: On a point of privilege, Mr. Speaker: Once again, if the honourable member wants to check Hansard, he will see that I said high interest rates flow from an anti-inflationary monetary policy, which the government adopted to bring inflation under control. I indicated that interest rates were not of themselves a way the government uses to control inflation; they are a result of the measures they take to control inflation. Therefore, I did not advocate high interest rates.

Mr. Stokes: What does that mean?

Mr. Riddell: I can understand that you would not understand.

Mr. R. F. Johnston: On a point of order, Mr. Speaker: My point has to do with the business of giving a speech twice. I am wondering whether I can have an opportunity to rehash my speech as well at some point.

The Acting Speaker: The member for Huron-Middlesex was making a point of clarification on his speech; it was a point of privilege.

Mr. Philip: On a point of order, Mr. Speaker: In question period yesterday, the Minister of Municipal Affairs and Housing made a statement about what I had said in my opening remarks in a question. Therefore, if the member for Huron-Middlesex is going to be able to

rehash his speech, I should be able to rehash my question and correct the record.

The Acting Speaker: No. The member for Welland-Thorold now has the floor.

Mr. Swart: The member for Huron-Middlesex causes me to make another comment about interest rates; he said they are a result of inflation. They did not happen automatically. It was a conscious policy of the Liberal government in Ottawa to make high interest rates. Anyone who has listened to Governor Bouey knows that. One will hear it every week from Governor Bouey, and when he speaks in that way is he reprimanded by the Liberal government in Ottawa?

Mr. Foulds: No, he is applauded by it.

Mr. Philip: Bouey was MacEachen's ventriloquist, for heaven's sake.

Mr. Swart: In addition to opposing this legislation for its ineffectiveness, for the negative effect, which is what it is going to be, and for its authoritarian nature, there are two other reasons why we in this party oppose it.

First, it is grossly unfair. That is because the government has taken one class, the public sector, and said to them, "Your wages are going to be limited." It has nothing to do with their needs or with their income being too high. It has to do with the fact that they are a group employed by the government, and a group which the government thinks it can clobber and get public support for doing it. The unfairness is even compounded by exempting the doctors.

There is no question about it, this government has done it for political reasons. The polls show that the public generally wants something done. The polls show that the public generally wants some restraints imposed. But this government has done this in such an authoritarian, uneven and unfair manner that I suspect when the realization of what it has done gets through to the public, two or three months from now, it is going to lose more support than it is going to win by this. This is going to backfire politically on the government.

I see members in the Tory benches shaking their heads. I guess that gives evidence that is the reason for doing it. They are shaking their heads to indicate that they are not going to lose popularity.

In addition to the fact that the bill is not going to be effective in doing anything about inflation and is unfair, the third reason for our opposition is that the part of the bill dealing with prices is

largely a façade. It is really a joke. It is a hoax on the public.

This government's record of giving any price protection to consumers is a blank, it is an empty page, and this legislation administered by this government will be full of sound and fury signifying nothing.

I want to amplify my views in the three areas: the ineffectiveness of the legislation, the unfairness of the legislation—and I shall be using examples of the public health nurses in the Niagara region, some of whom are in rather a desperate situation at present—and the area of the ineffectiveness or uselessness of the legislation with regard to consumer pricing.

There is no question about it, I repeat; it was a political decision. The government said: "If we are going to bring in the wage controls, and as we want to save money and win public support, if we are going to win that public support I guess we will have to put something in there about prices. We will have to let the public think that we are going to control prices as well."

It is going to be no more effective than the Anti-Inflation Board. But before I get into amplifying these three areas, I will recognize the clock.

On motion by Mr. Swart, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before moving the adjournment of the House, I might just remind the House that I indicated the other day we will be continuing with this debate, on second reading of Bill 179, on Tuesday afternoon and evening.

The Acting Speaker: There is a band from Germany performing on the main staircase of the Legislature at one o'clock. Members may find it necessary to use the side stairways. This is in an exchange between Markham District High School and a school from Germany.

The House adjourned at 1 p.m.

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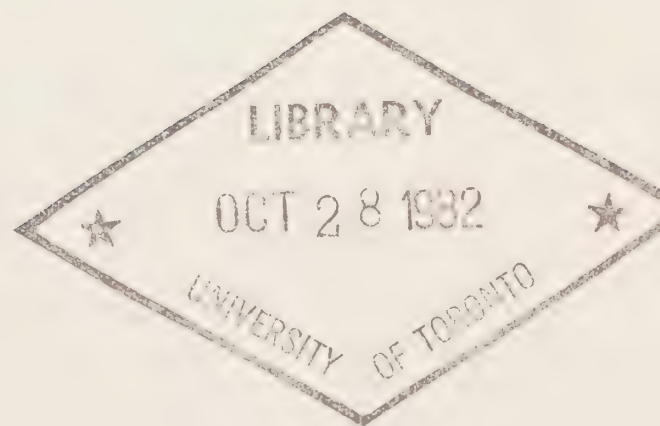


Ontario. LEGISLATIVE ASSEMBLY

No. 116

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, October 12, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 12, 1982

The House met at 2 p.m.

Prayers.

SOUTH AFRICAN DELEGATION

Mr. Conway: Mr. Speaker, on a point of privilege, on which I rise as a private member, it has come to my attention that on October 18 of this year it is the intention of this assembly to play host to a visiting delegation from South Africa. I want to say that as a private member I am deeply concerned and, quite frankly, personally outraged at the thought that public moneys will be expended to provide for a luncheon for this delegation from the world's most notoriously and officially racist regime.

I take very strong personal exception to this. I am not sure of this, but it has been drawn to my attention that a memo was circulated from Mr. David MacDonald, who, I believe, is the manager of the parliamentary and public relations office under your direction. I just wanted to ask you to seriously reconsider this particular initiative.

I would hope that in this day and age of human rights, keeping in mind the Legislature's position on Bill 7 and those marvellous jingles which tell us we are all one, that we will not, as members of this assembly, be seen to be involved with a delegation from South Africa, whose apartheid policies are so retrograde and so outrageously racist.

Mr. R. F. Johnston: Mr. Speaker, I rise on the same point as the member for Renfrew North and support his statement. I suggest it is offensive to all members of this House that we should be seen to be courting, in our Legislature here, members of an apartheid regime. It brings to mind other things that have occurred in the last year or so, such as our Ombudsman's thinking it was appropriate for him to travel to South Africa.

It is bad enough that our Minister of Consumer and Commercial Relations (Mr. Elgie) allows us to continue to promote South African goods in our liquor stores and for us to have double standards which I think should offend most of the moral standards of people in this province.

Surely we should not be playing host to this kind of group in our Legislature, Mr. Speaker, and I ask you to do what you can to make sure this does not take place.

Mr. Roy: Mr. Speaker, on the point of privilege, I would like to associate myself with the comments made by the member for Renfrew North. I would just like to say to you, Mr. Speaker, that it is important that some of us get these matters on the record lest it be seen that you as Speaker, representative of all the assembly, give some sort of tacit approval or acquiescence to these people and lest it be seen that the Legislative Assembly of Ontario somehow is catering to or giving some form of support to that group. I want to associate myself with my colleagues in saying I quite agree that you should not, and Ontario should not, in any way play host to this group.

Mr. Speaker: Thank you very much for your expression of opinion. I have to say, interesting as it was, it does not constitute a point of privilege, but I thank all the members—

Mr. Roy: I think it is a point of privilege. I think it is very important.

Mr. Speaker: With great respect, it is not. But I do thank the honourable members for sharing their views.

Mr. Conway: Mr. Speaker, since I did raise the point, I want to be very clear on it. As a member of this assembly I am personally and deeply concerned about the fact that public moneys are going to be expended in my name on behalf of this assembly to entertain a racist delegation with which I want neither truck nor trade. I do consider that very much a matter of personal privilege.

I do not want this assembly, to the extent I can personally influence it, to be seen to be involved in any way, through hospitality or otherwise, with a delegation the majority of whom is from the National Party, which I consider to be racist. As I say, I want no part of.

Mr. Speaker: Thank you very much. As I said before, your point is well made and your remarks will certainly be taken into consideration.

[Later]

Mr. Speaker: There was a matter raised earlier that I think is of sufficient importance that it should be responded to as quickly as possible. Earlier this afternoon the member for Renfrew North (Mr. Conway) questioned what he saw as the assembly's involvement with a South African delegation. I think there has clearly been a rather serious misunderstanding as to its actual role in what is going on.

There was concern expressed that the assembly was to play host to a visiting delegation from South Africa and further concern was expressed that public moneys would be expended to provide for a luncheon. I want to make it abundantly clear that neither the Speaker nor this assembly is in any way involved with the delegation or with the luncheon. The visit was initiated by the consul in Toronto and the luncheon is being sponsored by the South Africans. They only expressed the desire to meet, if possible, with legislators during their time here.

The luncheon will not be held in this building. I want to stress very strongly that the South Africans have initiated the visit, are hosting the luncheon and are paying for the luncheon. I hope that clears up any misunderstanding that may surround this visit.

Mr. Roy: Mr. Speaker, on the same point of privilege: I think you will understand that perhaps one of the reasons for the confusion was that the invitation my colleague the member for Renfrew North (Mr. Conway) saw, and at least the one I saw, seemed to emanate from your office. We were left with that impression because of the type of invitation it was and the number of members who were invited from different parties. We were left with the impression that somehow the Speaker's office was involved in the organization of this luncheon.

If there has been some confusion, I think it is mainly for that reason. I appreciate, and certainly my colleague will appreciate, your explanation that your office, on behalf of all of us, and the government of Ontario are not involved in the organization, funding, etc., of this luncheon.

ORAL QUESTIONS

McMICHAEL CANADIAN COLLECTION

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Citizenship and Culture. The minister is no doubt aware of the great controversy that surrounded the McMichael Canadian Collection a year or so ago. At that time the ministry pledged itself to trying to clean that up.

I am sure it is a matter of great concern that the controversy bubbled up again over the weekend with respect to the cost overruns and the plans for that particular gallery. I would like to ask the minister, when did he become aware of the cost overruns? Who authorized those cost overruns? On what basis were they authorized? Why was it announced only yesterday?

Hon. Mr. McCaffrey: Mr. Speaker, the original forecast was that the renovations would cost \$4.7 million. I was made aware of the new number, which was to be in excess of \$9 million, in the spring. I could get an exact date. I remember very clearly it was in the spring, because upon being briefed on the additional costs I was anxious, as the Leader of the Opposition would be himself, to go and see the facility and to try, as a layman at least, to judge the efficacy of those expenses.

I authorized those additional expenses on the basis that we were committed to doing what was absolutely essential to protect what that building houses. I think it is imperative that, when we look at these numbers, we remind ourselves that this unique gallery houses a collection of art valued, though estimates vary, somewhere in the order of \$40 million.

I would add that, notwithstanding the numbers, everybody in this assembly realizes this is a unique Canadian treasure. That it should be housed in anything other than a first-class facility with all the appropriate fire and humidity controls would have, in my judgement, been irresponsible.

Further, the gallery will attract some 300,000 visitors a year so that the essential safety precautions were built in to those additional costs and, on that basis, we were happy to authorize the additional required expenses.

2:10 p.m.

Mr. Peterson: Why did the minister decide to suppress this information, or at least not be forthcoming with members of the public and members of this House, about those additional expenditures of some millions of dollars in order to complete these renovations, particularly when he will recall, as we recall, that one of the big issues surrounding the change of status of Mr. McMichael of a year or so ago was presumably—shall I say it?—his lack of management competence, his one-man-band running of the gallery, his lack of sharing of this information with some people, particularly when the minister pledged last spring to be open with members of this House and the public?

I quote the minister from the House of April 20, presumably about the time he was aware of these additional expenditures. He said: "The memorandum establishes information-sharing arrangements between the collection and the people of the province by making collection policies, practices and priorities available to the public and by making appropriate minutes of future board meetings available to the public as well." In fact, Mr. Taylor, the chairman, had pledged himself individually to an open-minded, open-handed standard of conduct in our approach to the affairs of the collection.

Now it appears after the fact that certain minutes relating to these matters either have not been included or have been deleted. These matters of expenditure of large sums of public funds have not been shared with the public, as was the minister's intention. Why did he not share that information with the members of this House and the public when he was aware of it last spring?

Hon. Mr. McCaffrey: It was my intention that the minutes of the board meetings be made public. That is my intention and has been from spring to this very minute. If there are some specific minutes of the board's deliberations that have not been made public or have in fact been altered, I will inquire into that this afternoon. I will undertake to do that, because that was not and is not the intention.

I was made aware, as I say, in the spring—I think it was specifically in May—and at that stage members of the board and I were fully prepared and anxious—with pride, I say again—to show those additional costs at the time of the partial reopening, which was scheduled for June, some two or three weeks after those numbers were made public. Because of a series of strikes the June date was rescheduled for July, for August and, as we know, it was not until the last four or five days that the partial reopening was held.

It was my very strong view, and one I still hold, that when those numbers were made public it was imperative that members of the Legislature, the press and other interested citizens have an opportunity to view what was actually done with this money. I think central to understanding what the heck the additional \$4.5 million was about, is to see the facility itself. It was our intention to do it in June. For reasons beyond our control they were not able to have that partial reopening because of the strikes that plagued us at the Royal Ontario Museum as well.

Mr. Di Santo: Mr. Speaker, in view of the fact that there is a controversy over the expenses having doubled and that there are also some opinions which differ from his assessment—in fact, the director of the Friends of the McMichael Gallery said the \$9.8 million of work done did not appear significantly different from the estimated cost of \$4.7 million a year ago—and if the minister thinks that everything under the sun has been done, will he be able to table with this Legislature all the estimates and the changes and all the relevant documents so we and the public will know exactly what the situation is?

Hon. Mr. McCaffrey: That is a good question, Mr. Speaker. The member for Perth (Mr. Edighoffer) a couple of weeks or 10 days ago put three very detailed questions on the Notice Paper, answers to which are being provided today. They will go some considerable distance to answering the detailed kinds of questions on the additional costs that the member for Downsview inquires about.

The member for Downsview quotes a view. Listen, there are all kinds of different views. There are some armchair architects and armchair construction people who have some views as to what this might actually have cost. I respect those views; I just do not agree with them.

Mr. Peterson: The issues here are twofold. Number one is the management of public funds, where it appears the minister is no more competent than was the previous administration of that gallery. Number two is the issue of openness and the secrecy about these particular decisions. Now the minister has admitted that he did not want to share that with the members of the public.

Was that not the reason for all of this happening, as quoted by Mr. McIvor on the CBC, who quoted Michael Bell as saying, "'The decision to double the amount was made without any public knowledge,' says Michael Bell, gallery director, 'so government officials would not be prejudiced by any public outcry' "? What kind of sharing of information with the public is that?

Hon. Mr. McCaffrey: I say again we are very anxious, in the full light of visiting the gallery, seeing and touching the additions and the construction that has been done, to make people abundantly aware of how that additional money was spent. I think it is important to realize that the \$4.7 million, the original estimate, did not become \$9.4 million overnight. In

fact, this process was stretched out over a period of some six months.

During that six-month period the attitude of senior people within the ministry was, as it quite properly should have been, to review in detail each of those new numbers that were coming along. In fact, the Ministry of Government Services went out to do an independent investigation of it.

Throughout the six months, as the real costs escalated, the determination was to make certain that those renovations were essential and that they were done with the full support of this Legislature, which is the case when anybody sees the facility. I will say one more time that in June, at the time of the originally scheduled partial reopening, we would have announced this.

The chairman of the board, Mr. Taylor, is a first-class individual who has made a tremendous contribution to that gallery. I might say too, in passing, he is a gentleman with a first-class business reputation who, like most of the members of this Legislature, understands the value of this investment.

Mr. Peterson: That has nothing to do with it. If the minister knew in April, May and June, he should have shared it with the people of this province who are paying the bill. He should have learned by the previous minister's incompetence on this issue.

HYDRO CONTRACTS

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Energy. The minister is no doubt aware that Ontario Hydro announced last year that it was amending its agreement with Denison and Rio Algom to reduce its deliveries by nine and 15 per cent respectively in order to "correct a potential oversupply of uranium in the 1990s."

Is he aware that documents filed with the Ontario Energy Board revealed that, starting at about 1993, Hydro will be taking close to two million pounds a year more than it needs to supply estimated demand even with Darlington going full blast at that particular time and even though there will be an overcapacity in the system, according to the minister's own estimates, of some 50 per cent? The bottom line is that this will cost the consumers at least \$100 million in unnecessary fuel at that time. Does the minister not think that is a terrible waste of public and consumers' money?

Hon. Mr. Welch: Mr. Speaker, I am not familiar with the documentation to which the

Leader of the Opposition makes reference and I think I would make it my business to read that material. I am not so sure that the conclusion to which he comes is necessarily the conclusion on the basis of the facts, but I will be glad to review that information.

Mr. Peterson: It is obvious in these very critical matters the minister is not aware and that is what is so terribly disturbing to us. We have asked the minister before to refer the matter of system expansion—and this matter relates very much to system expansion—to a committee of the House, to a number of members who do take our energy future very seriously, so that the committee can at least review it if he is not prepared to. Would the minister do that?

Hon. Mr. Welch: May I remind the Leader of the Opposition of what he asked me. He suggested that there was some material filed with the Ontario Energy Board which clearly sets out, without any doubt, that Hydro was going to buy more than it needed with respect to certain fuel. I am not familiar with such a document that says that, and before I would answer any question based on that I would want to familiarize myself with the documentation to which he makes reference. Surely that is a reasonable request on my part.

2:20 p.m.

Mr. Kerrio: Mr. Speaker, I would ask the minister if in the process of looking into this he finds that amount of uranium being purchased now, why would he and his government not have second thoughts about the Madawasaka Mines Ltd., which they shut down and sent miners looking for other work he suggested they could find? Why in heaven's name would he ever consider not keeping that mine and Ontario miners working when he is talking about extra purchases?

Hon. Mr. Welch: Mr. Speaker, if the member for Niagara Falls had listened carefully to his leader's question he would have realized that he was not talking about the requirements now but about something related to 1993. I fail to see the connection between the supplementary and the main question.

WELFARE PAYMENTS

Mr. R. F. Johnston: Mr. Speaker, my question is for the Treasurer. Pressure is mounting in society at large for some measure of social justice for those people who are the poorest in our society, and today there is a vigil by an

ecumenical group which was here this spring and has been forced to come back this fall because of a lack of action. I ask the minister for his response to their statement: "We believe what is at stake is the moral conscience of a province and the moral will to change Ontario's spending priorities. We believe that the people of this province do not wish to keep recipients of social assistance living in desperation."

We know he is concerned with our triple-A rating, but what is his concern for these people? Will he be spending the kind of money which can restore to them some of the money they have lost to inflation over the last five or six years?

Hon. F. S. Miller: Mr. Speaker, it is easy for the honourable member to assume that he can pull a statistic out and say that we do not treat people who have economic problems fairly compared to other provinces. I suspect my colleague the Minister of Community and Social Services (Mr. Drea) would be able to document the whole range of programs, beginning with subsidized housing, that are available. I would suggest that this province has, in total, a very good record.

I am keenly aware that the problems of that group are becoming more grave, as are the problems of many other people in society, because we are adding to their numbers these days with unemployment. I think I am as aware of that as the member must be. The fact remains that we have a whole set of needs in society. This province and this government have always prided themselves in treating the less fortunate people fairly. That is one of the reasons we have managed to maintain our position as the government.

Mr. R. F. Johnston: Mr. Speaker, you will note that in my initial question I did not raise any comparison with other provinces. I was asking the minister to act in this province.

Will the minister confirm today that his statement on page 17 of the budget address did not apply to these recipients, that statement being, "I now serve notice to all recipients of provincial funds that they should not count on future funding at or above inflation rates," given that employable singles have not had any increase at all since February 1981? Will he guarantee the principle that their inflation costs will be passed through and that he will protect these people in these hard times?

Hon. F. S. Miller: The member has chosen one date, February 1981. I believe there was a

change in the general welfare assistance rate about a year ago, if my recollection is correct. The minister can confirm whether that is so or not. I thought it was about that time that there was a change. In any event, I am neither confirming nor denying the changes. They will take place as we make the allocation process known.

Mr. T. P. Reid: Mr. Speaker, in a recent speech given by the Treasurer's counterpart, Jacques Parizeau, he mentioned a book called the green book, which is apparently known only to some senior civil servants in every government across Canada, and which, in fact, does provide a comparison from province to province as to social welfare payments, housing and so on.

To clear up all this confusion and to show just what great fellows they are over there, would the minister consider getting his hands on this green book and tabling it in the Legislature so that we can compare to see what the people of Ontario who need it most are getting relative to other provinces?

Hon. F. S. Miller: Mr. Speaker, I am not personally aware of the green book.

Mr. R. F. Johnston: I am quite disappointed that the minister did not even know there has not been an increase for this group of general welfare recipients since last February. I hope that does not reflect his interest in this issue.

Can the minister tell us what he is planning to do about the burden on municipalities now that the federal minister, Lloyd Axworthy, a friend of our Liberals here to the right, says there will be no extension of unemployment insurance benefits, therefore, the huge number of UIC exhaustees that we have been anticipating is going to fall this winter on to the welfare roll.

What is the Treasurer going to do to protect the municipalities which cannot afford to have the 20 per cent imposed on them for that huge number of people who are going to be added? Will he be assuming his responsibilities? It is this government and the federal government which have caused the unemployment in this province. Will he be accepting the costs or will he be passing this through to municipalities that cannot afford it?

Hon. F. S. Miller: The member is editorializing unnecessarily and falsely. It is not our government that has caused unemployment nor is it the federal government that has caused unemployment. He knows it. He just likes to slip

those little zingers in whenever he can to keep up his old myth. The truth is that—

Interjections:

Mr. Rotenberg: The Socialists ruined Britain.

Mr. Speaker: Never mind the interjections please.

Hon. F. S. Miller: We will be dealing with all those matters in the fullness of time.

Mr. R. F. Johnston: Mr. Speaker, I just draw your attention to the fact that the member for Wilson Heights (Mr. Rotenberg) just called Margaret Thatcher a Socialist. I find that hard to believe.

Mr. Rotenberg: Mr. Speaker, just to correct the record, the member is putting false words in my mouth. He should know better.

JOB CREATION

Mr. R. F. Johnston: Mr. Speaker. I will direct a question to the Treasurer. Can the Treasurer tell me how many families in Ontario are in the situation of having no one in the family employed?

Hon. F. S. Miller: Mr. Speaker, I am sure the honourable member has the answer for me.

Mr. R. F. Johnston: I do. I was hoping I would not have to supply all the answers for the minister today. I am sure if I had asked the question about how our credit rating had been over the last 10 years, he would have been able to give that to me without any difficulty.

Would the minister be interested in knowing the answer to the question? It is that over the last year the number of Ontario families in which the head of the family is unemployed has increased by 155 per cent and the number of families in which no one is working has increased by 166 per cent. When is the minister going to tackle those problems and create jobs for those individuals?

Hon. F. S. Miller: That is a question that is asked daily, and it is a serious question. I have tried to set out the course of action we are going to follow. We have taken two sets of measures in Ontario in the last while; one that the member likes to allege has had no results. I would allege it has had very good results. The fact is the climate is not good for anything. It is hard to see what we have done because there has been a general decline in employment.

It would have been worse had we not stepped into the marketplace and created many jobs in highways, in building, in creating houses through the renter-buy program, which by the way is taking off quite quickly at this time, contrary to

what the member says. I am getting the best results ever from the Toronto Real Estate Board of late.

In the last couple of months sales have gone up dramatically which means jobs will be up dramatically in this province because of actions we are taking, actions in the north to work with the federal government to put people under section 38 of the federal act so that we can get some of them back to meaningful work. None of those matter to the member. He keeps on assuming we have done nothing.

The second phase was to put the five per cent in place, Bill 179, which is going to help us with employment no matter what the member's party says about it. That is the basic objective of it.

Mr. T. P. Reid: Mr. Speaker, part of Bill 179 was the promise that there would be further programs announced. We are getting into the middle of October and we are going to have higher unemployment with winter setting in. The minister has told us repeatedly that he is waiting for the federal government but that, if it does not act, he will.

Can the Treasurer tell us his precise timetable? When is he going to act if he does not hear from or have agreement with Ottawa? Can we expect an announcement in this House by the end of this month about a program for the people of Ontario that will deal with the unemployment in Ontario over this winter, which is going to be severe?

2:30 p.m.

Hon. F. S. Miller: Mr. Speaker, my colleague knows that when we are negotiating with another level of government, the last thing we do is set out precise timetables for what we will do in the event they do nothing.

Mr. R. F. Johnston: Mr. Speaker, with all due respect to the Treasurer, the actions he has taken have left us with a loss of 120,000 jobs. I shudder to think how much worse that might have been if all these actions had not been taken.

Is it not the case that on May 19, 1981, the Treasurer called on Ottawa to act and placed the burden there? On October 22, he called on Ottawa to act. On March 11, 1982, he talked about imploring the federal government to act. On March 12, he called on his federal Liberal friends to act, and again on March 16 and March 19 he called on the federal government to act.

When will the Treasurer act in a way that does not lose us 120,000 jobs but, in fact, creates jobs?

Hon. F. S. Miller: The fact is that the federal government did not act in those cases; it has changed the Minister of Finance and the ministers responsible for economic development. The fact is that it has been spending a good deal of time in the past two weeks reordering its priorities. We expect to see job creation programs coming in shortly, and we are ready to work with the federal government.

NONHOSPITAL BIRTHS

Mr. Breithaupt: Mr. Speaker, a question of the Minister of Health: On July 5, I asked a question about a proper program for the training and licensing of midwives in Ontario. We now have the benefit of the statement by the Registered Nurses' Association of Ontario on that subject. The minister said at that time that the object of what he is trying to accomplish over the next couple of months is to have a pattern and program in place, as he says, with a view to making sure these kinds of circumstances are clarified.

Three months have gone by since that commitment from the minister. Can we now have a report to the House on what progress has been made to co-ordinate the development of standards for nonhospital births?

Hon. Mr. Grossman: Mr. Speaker, we have had some continuing discussions with the College of Physicians and Surgeons of Ontario. They simply have not concluded yet. I think it will probably be several months before we are able to resolve a satisfactory situation with them.

Mr. Breithaupt: Three months have gone by, and now the minister expects several more will go by. In the hope that we will have a clearer approach, I wonder whether the minister will consider the necessity for some sort of formal task force in this area so the component parts can be assured not only of his interest but also of the interest of the Legislature in this subject. Will he consider the task force approach so the various groups involved will have the spur of his interest to make sure this problem is appropriately dealt with?

Hon. Mr. Grossman: Yes, I am willing to consider that approach; it seems to be a fairly reasonable one. Perhaps after a couple more weeks, when I next have a chance to meet with the college, we will alert them to that issue. Perhaps the task force route is a commendable way to go, and I thank the honourable member for the suggestion.

Mr. Stokes: Mr. Speaker, while the minister is looking into the possibility of providing more midwives for the province, will he also look at the need for nurse practitioners in the north, particularly in those places where for a variety of reasons we do not have the ability to attract doctors and where there is a shortage, or rather a complete lack, of medical services?

Will the minister look at the nurse practitioner paramedic service at the same time?

Hon. Mr. Grossman: Mr. Speaker, I do not think we would want to do it in the same task force setting because, if we were going to go with the suggestion made by the member for Kitchener, then I would want to confine it to achieve the goals he set out.

The question of scope of practice is one that I intend to address in the next few months in one of a variety of mechanisms I am currently looking at. The underserved area situation and the use of nurse practitioners and other practitioners would certainly come within the scope of any review we did on the whole scope of practice issue.

PRIVATE SECURITY FORCES

Mr. Mackenzie: Mr. Speaker, a question of the Solicitor General: Given the revelations before the Ontario Labour Relations Board in the Automotive Hardware case and with the release today of the report *Beyond the Law: The Strikebreaking Industry in Ontario*, by Waldie Brennan and Associates for the steelworkers, will the minister not agree that the evidence underlines the need for a full public inquiry and will he now call such an inquiry?

Hon. G. W. Taylor: Mr. Speaker, the first answer to the honourable member's question is that the Securicor investigation is still before the Ontario Labour Relations Board and has not terminated yet. I am not sure of the decision or the final evidence that will be put before that board and the outcome of it.

As to the report he has mentioned, I have not reviewed it yet. When I have, I will make a comment. I have just received the report today.

Mr. Mackenzie: Is the minister concerned about the substantial growth in the private security industry, one of the very few growth industries in Ontario, where there has been a 10-year increase of 92 per cent in employees, from 7,800 to 15,166? That means there are now almost as many private security operators as there are public police in Ontario. Does the minister not feel this situation requires legisla-

tion limiting the role of private security forces at least in critical labour situations?

Hon. G. W. Taylor: I am aware that there are increased numbers in the private security business and that it is a growth industry. There is legislation that controls the working and functions of those individuals in the private security forces, and legislation will be forthcoming to further adapt those individuals to the present working conditions. That legislation will be coming forth in the near future.

LESLIE STREET SPIT

Mr. Elston: Mr. Speaker, I have a question of the Minister of the Environment. Since 1959 the Leslie Street spit area has been used as a cheap dumping ground for excavation fill, but we have learned only recently of the extensive degree of contamination of the material going into that area. Will the minister not agree that the Toronto Harbour Commissioners have been operating a waste disposal site without a certificate of approval and that the spit still needs such a certificate of approval as required under part V of the Environmental Protection Act?

Hon. Mr. Norton: Mr. Speaker, I think the honourable member is somewhat misinformed on the specific matter of jurisdiction. If he looks at the location of the spit, he will find that substantially it comes within the jurisdiction of the authority.

I also point out for his benefit and that of other honourable members that monitoring took place prior to the introduction of our new policy with respect to any soil or fill that could be deposited in the spit. More than 80 per cent of the soil was found not to be a problem, but it is true that there were some soils going in, particularly from some of the old—

Mr. Elston: What about the other 20 per cent?

Hon. Mr. Norton: Yes, it depends on whether one wants to take the most negative approach or an approach that puts it in a reasonable perspective.

In fact, the situation is well under control. We have in place what is probably the most complete prototype in terms of monitoring. As I think I indicated earlier, if the prototype works well during the course of the next few months, as we see this in operation, it may well be a prototype that should be extended to other parts of the province.

Mr. Elston: I can understand that 80 per cent of the fill is all right, but it is the 20 per cent and the damage being done by that 20 per cent that

really concern me and a number of my colleagues here. I think the minister really ought to be concerned about it as well.

Given the magnitude of the unacceptable fill which is going into that site, as documented in his ministry's study, is the minister not concerned that the fill excavated from areas other than his designated control areas may be contaminated at levels above the lake fill quality guidelines and that such contaminated material will still be going to the Leslie Street spit area? Will he expand his designated control areas, and when will his program be amended?

2:40 p.m.

Hon. Mr. Norton: It is not a question of amending the present program. The member was looking at his next question and not listening to the answer to the first. I pointed out that what we have in place is a prototype. If it works—and I think it will—if it is effective, we will then consider expanding it to other areas.

The point that is important for the member to bear in mind when he starts talking about the 20 per cent is that while we have acknowledged that approximately 20 per cent raised some concern during the monitoring period, it was not because—

Mr. Elston: Twenty per cent isn't a serious problem.

Hon. Mr. Norton: If the member would stop talking for a moment, he would hear the answer. That is his problem. That was his problem the first time I answered him: he was not listening; he was babbling.

Mr. Elston: Answer the question.

Mr. Speaker: Order.

Hon. Mr. Norton: Most people I have met cannot do two things at once: talk and listen. If the member asks a question, I assume it is because he wants an answer.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Norton: Is the member's mouth in or out of gear at the moment?

Mr. Speaker: Order. Will the minister please answer the question?

Hon. Mr. Norton: Yes, Mr. Speaker, if you will invite the member opposite to listen.

The point is that there has been very close monitoring of the water quality in that area and there has been no indication of deterioration. We have been monitoring in the area around the spit and in the area of the water intakes in that general location, and there has been no indica-

tion of any deterioration. We will continue to monitor it very carefully.

The question as to when there might be consideration given to extending the prototype depends, of course, upon the results of the monitoring over the next couple of months. I would say we should have a fairly good idea in a few months.

Mr. Charlton: Mr. Speaker, since the ministry's study indicated some of the contaminated fill that exceeded the lake fill guidelines was coming from outside Metro Toronto and since the study indicated very clearly that fairly substantial amounts that exceeded the guidelines were going into that spit, why was there no action to stop the dumping that exceeded the guidelines?

In view of the fact that we are the only jurisdiction on the Great Lakes still dumping this kind of material into the Great Lakes, how can we deal effectively with the questions of Great Lakes water quality being studied by the International Joint Commission and a large number of other groups when we continue to allow that kind of material to go into Lake Ontario?

Hon. Mr. Norton: First of all, Mr. Speaker, the inferences in the question, as it was phrased, are substantially unsubstantiated. It is true that there is a very small amount coming from outside Toronto. But in the first instance, with the establishment of this prototype for detailed monitoring, the reason we did not extend it to cover all sources was that it was generally believed by the people most knowledgeable in the field that the chance of contaminated soil coming from those areas was minimal.

One has to understand that the sources of contamination that have raised the concern are mainly industrial sources and fill from highly populated areas, and particularly from the southern part of the city of Toronto, where by and large land filling took place in the previous century and during which time there was no monitoring of fill in terms of whether it was contaminated. Because of the concern about that, we decided that was the area in which to establish the prototype and the monitoring on a blanket basis and in those designated areas outside it where there was known to have been industrial activity that could have led to the contamination of the soil.

As I say, one has to bear in mind that what we are talking about is a prototype; if it works well, and certainly I am optimistic about that, we will look not only at extending it to other areas that

may be providing fill for areas in this vicinity, such as the spit, but also at the possibility of extending similar monitoring programs elsewhere in the province.

JOB CREATION

Mr. Cooke: Mr. Speaker, I have a question for the Treasurer. Is he aware that the number of employables on welfare in Chatham has gone from 115 in September 1981 to 467 in September 1982, which represents about a 400 per cent increase? Is he further aware that the projected budget for welfare in that city in 1982 has gone up by 34 per cent over 1981?

What is the Treasurer prepared to do to create jobs in that city so that we can make taxpayers out of the unemployed people instead of having them rely on unemployment insurance and welfare when they want to work?

Hon. F. S. Miller: Mr. Speaker, it is interesting that the honourable member takes such a great interest in Chatham. It is not the area he represents. The member who does represent it has seen me as recently as today on that very topic.

It is interesting to note that a good deal of work has been done with the company in trouble there, International Harvester. I understand they are now maintaining their Canadian operation there. I believe that is one of the cities we put a technology centre in, if I have not lost track of those where we are doing something about it.

Mr. Cooke: How many jobs?

Hon. F. S. Miller: There are jobs there; that is the main thing. Every job is a job, but the member wants 10,000 jobs all at once. It happens to be a city to which we have recently given a grant under the Board of Industrial Leadership and Development to help them assess their economic future, and we are going to be working with them on that too.

Mr. Cooke: Is the Treasurer aware that in the first six months of the federal industry and labour adjustment program, only 78 jobs have been created on the labour side—those are jobs created to get people off welfare and back on to unemployment insurance—and there are 2,500 more people waiting in that jurisdiction for jobs just to get back on the Unemployment Insurance Commission rolls? At that rate, it would take something like 12 years under the federal program to deal with those people.

It is very clear that the federal Liberals are not prepared to create the jobs. The Treasurer has a

responsibility in Chatham and across this province. What is he prepared to do to create real jobs: not five for 10 at a technology centre, but long-term and short-term jobs for those who are collecting welfare? Does he not see that if he gets them off welfare and back on unemployment insurance, if he does not care about anything else at least the province is saving money?

Hon. F. S. Miller: If I came into a city and found that the people there were reasonably optimistic about finding some solutions to their admittedly terrible problems, should I say: "Don't be optimistic. Believe in me. Things are going to get worse"? That is what the member said last week, is it not? That is the kind of message he is sending around this province to everybody.

Mr. Cooke: That's really brilliant, Frank. That's your sense of the absurd: throw your hands up in the air.

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, in a discussion, I believe, last Friday with the Premier (Mr. Davis) about some of these unemployment statistics, particularly in automotive cities, he bemoaned the fact that he had no influence over demand for automobiles, that there really was not very much he could do about it and that ultimately when demand came back in the United States all our problems would go away.

The Treasurer knows, according to his own studies, that even if the automotive industry comes back to full health, it will probably employ 20 per cent fewer people than it did at its peak some two or three years ago, and he knows that we have a major structural problem in southwestern Ontario, particularly in areas that are dependent on the automotive industry.

What is he doing? What plans does his ministry have to deal with those people who will never go back to work in the automotive industry again because of the changes in that industry?

2:50 p.m.

Hon. F. S. Miller: Mr. Speaker, it is very difficult for the member to talk that way and at the same time be asking for that industry to take steps to become more productive, because I have heard him do that. The first effect of improved productivity is a reduction in the number of hours required to make a unit of product. That is one of the major problems we have to face in the North American automobile

industry. Unless I am wrong, the last time I saw some figures—they could be quite wrong—it took about 33 per cent more man-hours to produce a car in North America than it did in Japan. One of the reasons for that is that Japan has a lot more robotization.

We have taken steps through the Ministry of Industry and Trade to establish a centre for robotics and another centre for computer-aided design and computer-aided manufacturing in Ontario to bring Canadian designs and manufacturing up to the point where they are competitive with Japan and other countries. I have a great belief that every time the number of man-hours is cut in making a product, that product becomes more affordable and makes more jobs, not fewer.

FUNDING FOR EDUCATION

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Education; it may help her to get a higher rating on her report card.

While the recently announced financial restraint program is very specific on its limitation on public sector wages and salaries, it is either silent or rather vague on the elimination of wasteful spending on such items as advertising or the retention of adequate funding for areas that are considered to be essential.

Will the minister assure the House today that her government will meet its financial commitment to provide sufficient funding to permit boards of education to carry out their obligations under the provisions of Bill 82? Will she assure parents of children who require special education services that her ministry will provide the level of funding that was promised when she introduced Bill 82 in the Legislature?

Hon. Miss Stephenson: Mr. Speaker, in all the discussions that have been carried on in the past several months regarding restraint, there never has been any suggestion that the proposal related to the annual increase in funding for special education would be modified in any way.

Mr. Bradley: If one is to believe the words of the Minister of Municipal Affairs and Housing (Mr. Bennett) when he was speaking to the Association of Municipalities of Ontario, the general policy of the government will be to limit or severely reduce the amount of transfer payments made to municipalities and, one would assume, to boards of education. If that is to be the case, will the boards of education and those

interested in education not be in a good position to say that once again the Minister of Education has established a mandated program and that at a very crucial point she is prepared to pull out the financial rug?

Hon. Miss Stephenson: To my knowledge, there has not been any really good example of that complaint which registers most visibly with the members of the opposition. I do not believe the minister was speaking on behalf of boards of education. I think he was speaking to municipal governments only.

Mr. Grande: Mr. Speaker, will the Minister of Education inform the House whether her ministry in the past two to three months has commissioned a Gallup poll to undermine Bill 82, the law that gives students in this province special education?

Hon. Miss Stephenson: Mr. Speaker, in the four years I have been minister, we have not participated in a Gallup poll, except one, I believe, carried out for the annual meeting of the Canadian Education Association in Winnipeg in 1980. To my knowledge, there has been no other Gallup poll in any way involving the Ministry of Education.

MILK PRICES

Mr. Swart: Mr. Speaker, in the absence of the Minister of Consumer and Commercial Relations (Mr. Elgie), I will put my question to the Premier. It concerns the price of milk.

Is the Premier aware that the farm gate price of milk is going up by 2.62 cents per litre next Monday, an increase that the farmers have been required, as I am sure he knows, to fully justify by their increased costs of production? Recognizing that dairies and supermarkets have marked up farm gate prices during the past three years by an average of 125 per cent and probably will use this as a further occasion for a substantial markup, and in view of the Premier's new concern for price restraint in Bill 179, will he tell us what discussion he or any of his ministers have had with the dairies and the supermarkets? What increases are they going to apply to consumers, and what has the Premier told them?

Hon. Mr. Davis: Mr. Speaker, I have had no discussion personally with any of the retail outlets. Unlike the member for Welland-Thorold, I still have a number of milk producers in my constituency. Actually, some of the finest milk producers in Ontario are in my riding. I am very

familiar with their increased costs and with the quality of the product.

I also know there is going to be a price increase. It will probably impact upon me more than on the member for Welland-Thorold, because that is probably a larger portion of my liquid intake than his; so I am aware of that part—

Mr. Kerrio: I wouldn't bet on that one.

Hon. Mr. Davis: Listen, I never apologize for drinking milk, unlike the member for Niagara Falls. It is a very nutritious food. He should drink more of it. It would be better than that which he does drink on occasion.

Mr. Kerrio: That's not what I said.

Hon. Mr. Davis: I was referring to water.

Mr. Kerrio: I can't drink my water—

Hon. Mr. Davis: Oh, I understand the member cannot drink his water—

Mr. Sweeney: That's right; it isn't good. That's what we have been trying to tell the Ministry of the Environment for years.

Hon. Mr. Davis: I can only say to the member for Kitchener-Wilmot, I used to try to tell him a lot of things when he was in his former position, and he never agreed; that is why he left education to come into politics.

I say to the member for Welland-Thorold, I will ask the minister. Obviously, the member has already made his determination, but I am delighted to know that he does sense farmers are entitled to some increase.

Mr. Swart: Will the Premier not agree that if it is more than a five per cent markup it might not be in accord with the spirit of his bill? Will he also not agree that milk is rather an essential product and that he knows the retail price of a litre of milk has gone up by more than 30 per cent in Toronto in the past 27 months?

Perhaps I should inform the Premier of two others things if he does not know them. The farmers' share of the retail price has dropped dramatically in the past five years, and seven of the nine other provinces do have some control of the price past the farm gate, which means that milk is now selling in Montreal, for instance, at 77 to 78 cents a litre, compared with 88 to 89 cents here.

Will the Premier put some meaning into his government's profession of concern about prices by getting in line with the rest of the provinces and bringing in legislation to control milk prices to supermarkets and to the consumers?

Hon. Mr. Davis: I find that one of the most intriguing questions asked by the member, whose questions are always intriguing and sometimes irrelevant. What I really heard the member saying was that he has convinced his leader, who is campaigning either in Timiskaming or York South, to change his position on controls and he would now support a control program.

AGGREGATE POLICY

Mr. J. A. Reed: Mr. Speaker, I have a question for the Minister of Natural Resources. The minister will recall a meeting we had on August 31, 1982, at which time the contentious issue of the 10-point aggregate policy was discussed. The minister will also recall giving an undertaking to respond publicly to the controversy surrounding that 10-point aggregate policy. The minister may also recall receiving a letter from my office about 10 days ago reminding him of the subject once more.

Now that yet another municipality is being forced to freeze land without official cabinet approval, does the minister agree with the public statement made by his own official, Mr. John Masham, who stated that the 10-point aggregate policy, which is now being used to influence these municipalities, has not been approved by cabinet? Will the minister undertake to withdraw the aggregate policy pending the introduction of the new aggregate bill that has been promised and the accompanying aggregate policy?

Hon. Mr. Pope: Mr. Speaker, the 10-point aggregate policy to which the honourable member is referring is a ministry policy document that was printed in 1979, has been referred to as policy since that time and had its basis in a 12-point policy approved by the cabinet in 1979.

3 p.m.

The fact of the matter is, as I indicated in reply to a question from the member for Welland-Thorold (Mr. Swart) in the spring session, that at the same time we were introducing the new aggregates act we would be introducing a new, revised policy statement on aggregate extraction and that we hoped to incorporate that policy statement under a section of the Planning Act as a statement of government policy with respect to planning matters.

When I have been contacted by the media I have tried to make it clear that this policy is under review, that a new policy is going to be issued on the introduction of the aggregates act, and that the honourable members will have a

chance to review both the new policy and the act with myself in some form we may establish.

I have also tried to indicate we are still committed to a program of resource mapping throughout Ontario. That does not mean we are freezing land or that we are telling the owners of the land what they have to do with their land. It means that, on a very organized basis under our strategic land use planning program, we are trying to indicate to the people of the province where the resources are, the extent of the resources and our own best prediction, based on our own experience and expertise in the ministry, of what the requirements will be for that resource in future.

There have been some disagreements with the policy statements contained in the district land use plans under our co-ordinated land use planning program in southern Ontario. We have received a number of comments from municipalities and interested individuals.

I have indicated on more than one occasion in this House that we do not have a final co-ordinated land use plan for southern Ontario in place, that we expect and want comments on the various proposals that have been set forth, and that we want proposals and ideas from the citizens. That is why we had the open houses and that is why we will be filing with the Legislature in this fall session the documents in response to our land use planning program. That is why all these reviews are going on.

I reiterate that a document which maps where the aggregate resources are located in a district does not mean we are tying up that resource where it is now and then not allowing the owner of the land to do what he will with that land under the provisions of the Planning Act, using the local planning authorities and the Planning Act of this province and using the Ontario Municipal Board process which is available to every citizen, both to bring forward proposals and to allow for objections to proposals. That system is still in place and we have not changed it.

We do require some recognition that when one is preparing official plans and zoning bylaws, one should have reference to the resources located in one's planning area, be it wetlands, be it flood plain lands, be it where the aggregates are located or be it where the forest resources are located. One should have reference to those things. It is not that one has to follow boundary by boundary with the plans and documents produced by the Ministry of Natural Resources,

but a municipality should have reference to those things when making planning decisions.

Mr. J. A. Reed: The minister has admitted this whole issue is in a state of flux at the present time and he should remember that in two municipalities land has been frozen by official plan amendment. An attempt is being made at the present time to freeze 16,000 acres of land in Halton using this old policy. The minister himself admits the strategic land use plan is not in place or finalized. He admits the old policy is about to be replaced.

Why is he continuing to insist on twisting the arms of these municipalities in order to freeze land? As the minister will recall, the freezing issue was a debate that was carried on about agricultural land six years ago. Now he is getting his own civil servants to force the freezing of land. Will the minister not withdraw the policy?

Hon. Mr. Pope: A reference to aggregates in the official plan and inclusion of a schedule in an official plan which shows where the aggregate resources are located is not freezing the zoning or changing the zoning, with all respect.

I have looked into the member's allegations over the last two weeks. He knows that they are not true. He knows that we are not freezing anyone's land. He knows that the farmers are still continuing to farm on that land, and that to change the agricultural zoning it will be necessary to go through an Ontario Municipal Board approval process and through the municipal planning organizations. He knows all that. Why would he repeat the statement that we are freezing land when he knows we could not do that even if we wanted to?

Mr. Swart: Mr. Speaker, surely the minister is giving an incorrect statement to the House. Does he not realize that the policy of his own ministry, which has been circulated to the Ontario Municipal Board and to municipalities, states that they may not zone that land for anything which will preclude the use of it for aggregates at some future date? It may be zoned for agriculture, but it may not be used to build on. Is he not aware of that statement in his own document? How can he stand here and say that he is not freezing the land?

Hon. Mr. Pope: Mr. Speaker, the honourable member should go back and read the document. He refers to point 7, and point 7 does not set up agricultural use for land against aggregate extraction. He has been repeating that same illogical argument throughout the Niagara Peninsula and he should stop it. He knows it is not true.

Why does he not go out there and tell the people the truth?

WAGE AND PRICE RESTRAINT PROGRAM

Ms. Bryden: Mr. Speaker, I have a question for the Treasurer. Is he aware that public health nurses in North York have a starting rate \$8,100 below the rate for public health nurses in the city of Toronto and \$6,100 below that of sanitation inspectors in North York who do similar work but who are mostly male? Is the Treasurer aware that the public health nurses have been negotiating for over a year to achieve catch-up with the inspectors and Toronto nurses and that it would require a 41.6 per cent increase to achieve parity with the Toronto nurses?

I would like to ask the Treasurer if he agrees that the nine and five formula in the restraint bill will not only scuttle the lengthy negotiations that have been going on but will leave the nurses farther behind due to the operation of the percentage principle? Does the Treasurer think the continuation and worsening of this shocking discrimination against a group of 110 dedicated health workers who do the preventive work in the schools and the community is fair treatment under the restraint bill?

Hon. F. S. Miller: Mr. Speaker, I was not aware of those figures, although we recognized when the bill was brought in that there would be such cases. We will have to wait until the control year passes to address the differences.

PETITION

McMICHAEL CANADIAN COLLECTION

Mr. Peterson: Mr. Speaker, under standing order 33(b), we the undersigned petition that the annual report of the Minister of Culture and Recreation for the year ending March 31, 1981, be referred to the standing committee on social development so that the committee may conduct an inquiry into the spending and proposed spending for renovations incurred by or on behalf of the McMichael Canadian collection.

Hon. Mr. Davis: Why don't you raise it at Mr. Taylor's dinner on Monday?

Mr. Peterson: I will.

Hon. Mr. Davis: I will be there to help you. I will mention just what you are doing to help out.
[Later]

Mr. Speaker: I want to take a second or two to inform the Leader of the Opposition that his petition is in order.

INTRODUCTION OF BILLS

CITY OF CHATHAM ACT

Mr. Watson moved, seconded by Mr. Mitchell, first reading of Bill Pr28, An Act respecting the City of Chatham.

Motion agreed to.

3:10 p.m.

TOWN OF STRATHROY ACT

Mr. McNeil moved, seconded by Mr. Williams, first reading of Bill Pr38, An Act respecting the Town of Strathroy.

Motion agreed to.

RESPONSE TO WRITTEN QUESTIONS

Mr. McClellan: Mr. Speaker, I have a point of order relating to standing order 81(d), which reads, "The minister shall answer such written questions within 14 days." I wish to point out that the following questions from the Notice Paper of October 12, 1982, are in violation of that standing order: questions 230, 231, 232, 234, 235, 237, 238, 239, 242, 243, 244, 245, 246, 247, 248, 249, 250, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272 and 273.

I cannot remember a time in the period I have been in this House that this standing order has been so flagrantly ignored by ministers of the crown. I hope, sir, you will undertake to speak to the appropriate ministers with respect to the enforcement of this standing order.

Mr. Speaker: I am sure the government House leader has taken note of your complaint and will prod his colleagues into action.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Swart: Mr. Speaker, about the point of order made by my colleague the member for Bellwoods (Mr. McClellan), I would like to comment that the answers we are getting to the written questions in this House now are not a great deal better than those we are getting to the oral ones.

I had the opportunity on Friday to make a few

comments on Bill 179, and I do not intend to repeat those comments here, except to say how seriously we in this party consider this bill, because it is a philosophical bill. It sets out the philosophy of the Liberals and the Conservatives for dealing with the massive economic problems we have at the present time, those of inflation, economic stagnation and massive unemployment.

Whether it is the Conservatives here, the Liberals in Ottawa or, for that matter, the Liberals here, their sole answer is public wage restraint. That has the highest priority both in Ottawa and here. It is the only measure they have brought in to date to deal with our massive economic problems and it separates us very clearly from both the Liberals and the Conservatives.

It is such a philosophical straitjacket that we had the member for Huron-Middlesex (Mr. Riddell) defending high interest rates the other day. Even though the number and the percentage of farmers who have gone under because of high interest rates is increasing dramatically, the member defended those interest rates.

To date, he has been the main spokesman for this bill of a sort of philosophical nature, so I presume he has been speaking for the party. He supported this bill and stated that, really, all that was wrong with it was it did not go far enough. It separates us from the Liberals and the Conservatives as nothing else can.

We believe high interest rates are the major economic cause of our problems at the present time. We believe high interest rates are not the result but the major cause of inflation, a major contributing factor to the stagnation and unemployment we have in this province and in this nation.

The solutions are to intervene directly to lower interest rates, to provide an economic plan for employment, to intervene where prices are unreasonably high and to provide greater purchasing power and fairer sharing for lower income groups. That is our philosophy. The philosophy of the Liberals and the Conservatives on the other side to deal with all these problems is wage restraint in the public sector.

I also pointed out that in this party we think Bill 179 is dangerous. As the Liberals and the Tories want, it turns the focus on unions and wages instead of on the real issues and the real solutions. The purpose of this bill is to do just that. It is a political purpose of the cheapest kind.

Last Friday, I accused the member for Huron-

Middlesex of playing that game. He denied he was playing it. I have looked over Hansard since that time and I have to confess to him that he did not use the word "unions" in the speech he made. Instead, he talked about the workers of this province. Whether it is unions or workers, there can be no question he was primarily laying the blame on them and, therefore, trying to provide the solution by saying the answer to this problem is to force down the wages of the working people. Even if it means breaking contracts, that does not matter.

Subsequent to my comments on Friday, I picked up the St. Catharines Standard and found the Tories in Great Britain, not surprisingly, were doing exactly the same thing. That paper contained a Reuter story from Great Britain about the Conservative convention there. The heading is, "Tories Blame Union Leaders." It is rather interesting because it is so typical of what is going on here, but it is being done more subtly here than there.

The article says: "Britain's Conservative government sought Thursday to shift the blame for worsening unemployment, saying it is largely the fault of labour union leaders intent on fighting a class war. Employment Secretary Norman Tebbit told Conservatives at their annual conference that the government is making substantial progress in the fight against unemployment as it had in the fight against inflation."

3:20 p.m.

Then there is a surprising paragraph: "The number of jobless has doubled since Prime Minister Margaret Thatcher and her right-wing government came to power in 1979. There is now a record 3.34 million, 14 per cent of the labour force. Tebbit, speaking in a debate on jobs said, 'Militant left-wing union leaders have led their members down the road to unemployment for the sake of political dogma.'

"The debate reflected worries of many Conservatives that they probably will have to fight the next general election, probably in 1983, trying to explain high unemployment to the voters. Home Secretary William Whitelaw expressed these fears when he told a group of left-wing Conservatives that failure to tackle unemployment and an image as an uncaring party could hurt them at the polls."

We see the Conservatives here going down that same path trying to follow those policies and although the speeches have been a bit more subtle than this blatant statement, nevertheless they have clearly indicated or tried to leave the

impression among the unemployed in this nation that it is those who are working who are the real enemy, pitting one against the other and following in the pattern of their mentor, Prime Minister Thatcher of Britain.

I just point out in no uncertain terms that if anybody is starting a class war in this province or in this nation it is the Conservatives over on that side of the House and their Liberal colleagues in Ottawa, because they are the ones who are taking action against the working people of this province and this nation.

I pointed out that in addition to the class nature of this bill, and it is a class bill, there is no question about that—

Mr. Rotenberg: It's a very classy bill.

Mr. Swart: Yes, the member is bashing public sector unions. He probably thinks that is classy. I have no doubt he does it. Trying to pit the unemployed against the employed, that is probably classy in his view.

Mr. Rotenberg: We are not pitting anyone; you are the one who is starting the class war.

Mr. Swart: In addition to the class nature of the bill, in addition to its ineffectiveness, we oppose it for two other reasons. It is grossly unfair because it pits the public sector against the private and, even in the public sector, it pits all of those low-income employees against the doctors. They have discriminated against everyone, all the public employees who are paid out of the public purse, except the doctors.

As I said, the part of the bill dealing with prices is largely a façade. It is a joke, a hoax. This government's record of giving any price protection to consumers is a blank. There is a total absence of legislation and these proposals before us have no meaning. They are simply political and are put in there simply to make the bill saleable.

In question period today we had an indication of the insincerity. Seven out of the other nine provinces have legislation which controls the price of milk past the farm gate. One asks the Premier (Mr. Davis) about this now that he has introduced Bill 179—which conceivably has two purposes, to control public sector wages and to control at least a segment of consumer prices—and he does not really even answer the question. He just evades the whole issue.

Even if the bill had some clauses in it which were meaningful, how could we trust a government like that to administer it so as to give any protection to the public?

I talked a moment ago about the difference of

philosophy between us and the Liberals and Conservatives. Part of that philosophy is the whole matter of the division of income in this province and this nation, whether it is going to go to the workers or whether it is going to go to profits.

Part of the reason we have serious unemployment at the present time is the tremendous increase in profits during 1978, 1979 and 1980. I know profits are down substantially this year. They were down a little bit this year. It is partly a result, again, of many of these corporations dirtying their own nests. They are now getting stuck with the mess.

In 1978, profits went up 24.6 per cent over the previous year. There was no talk then about controls. In 1979, profits went up 45.2 per cent over and above the 24.6 per cent of the previous year, and in 1980 they went up another 12.7 per cent, far faster than the rate of inflation. In fact, in 1979 the group that was surveyed went up from \$7.25 billion to \$10.5 billion. At 45 per cent that is over \$3 billion.

If that kind of money had been left with the consumers of this province, who then had bought new cars and had bought new refrigerators and all the other consumer items we needed, it would have gone a long way to keeping many more people employed. That money was really not needed at that time for greater investment; it was needed for purchasing power to buy the goods that we can consume. So today we do not have anything like enough purchasing power. But if we had used a few billions of that we would have had many more people working today.

As all of us know, Bill 179 has two sections. One of those sections, as I have already stated and as everybody else here has stated, deals with the matter of wage controls in the public sector. Conceivably, the other part of it deals with price control. I could not help but be amazed when the Minister of Consumer and Commercial Relations (Mr. Elgie), the man who has responsibility for the administration of that part of the bill—I believe it is part III, if I am not wrong, the whole matter of price controls—got up to speak on this bill and spoke for a total of nine minutes.

He dealt with what he considered to be the Tory philosophy of inflation, but he never mentioned one single word about administration of price controls or how he expected it to work. We heard a nine-minute speech from the Minister of Consumer and Commercial Relations with not one word about consumer prices or what he intended to do or what regulations he

intended to enact, because the bill itself is very skimpy. I guess he probably thought that section of the bill was hardly worth mentioning, so he did not do it. And in that respect he was right.

Mr. Philip: He exempted tenants from protection, even.

Mr. Swart: Yes, he exempted them; no further legislation at all for tenants.

So we have this tremendous contrast between the way the government is going to treat prices and the way it is going to treat wages under Bill 179. First of all, let us compare the length of time it is going to apply. We know that for the wages of some groups this bill is going to apply for one year. It will apply to very few for just one year; for most it will be over one year. We know that for some other groups it is going to apply for two years.

I think it was the member for Nickel Belt (Mr. Laughren) in this party who went into that to some extent. There are even areas where it will apply to wages for three years. The average is probably something like a year and a half or two years during which the workers in the public sector will have their wages controlled. By comparison, how long will any price control be effective? The bill lays it out very clearly: not one day more than one year.

Subsection 27(2) of this bill states: "Where the minister is of the opinion that a price increase may not conform with the criteria, he may refer the price increase to the board for investigation where the price increase occurs on or after the 21st day of September 1982 and before the later of"—watch these words closely—" (a) the 1st day of January 1984. . ." If the bill did not go any further than that, it could mean it was going to apply from September 21 of this year until December 31 next year. But then there is clause (b), which says, "in the case of a public agency or a person regulated by a public regulatory agency that has implemented a price increase on or after the 21st day of September 1982 and prior to the 1st day of January 1984, the day one year from the last such increase."

3:30 p.m.

It is going to apply for 12 months, period, and nothing longer than that, even though the wage side of it can apply for one, two or three years.

Anybody who has looked at this bill knows that the wages are regulated. The government does not leave it to regulation to make the five per cent and nine per cent limit on these public sector workers; that is written right into the bill. But when we come to the price control section,

there is nothing written into the bill. This is all it says: "The minister shall establish economic criteria by which price increases shall be reviewed."

Further in the bill, it says the minister may not even make any regulations to put in firm price controls. Section 32 states, "The Lieutenant Governor in Council may make regulations further defining the terms 'public agency' and 'public regulatory agency.'" That is the only power the minister has under this section of the bill. But if we go back to section 25, dealing with wages, it states, "The Lieutenant Governor in Council may make regulations (a) designating any compensation plan or class thereof to which this part applies. . ." and we have another five clauses of that, and then it gives him the wide-open section at the end. But he may not even set any regulation with regard to prices.

If the Lieutenant Governor in Council decides there should not be an increase in price of any commodity above five per cent, whether it is natural gas or whatever the case may be, the minister does not have the power to enact a regulation. He can make a statement but he does not even have the power to enact a regulation.

What kind of fairness is that? There is no question about it, this bill was consciously designed to make a façade of the price control section to sell its wage restraint section.

The government of this province has shown again and again in a great variety of ways that it is not interested in giving real protection to the consumers and is even less interested in consumer price protection. On September 29, the *Toronto Star* had an interesting local article, which I want to quote. It was by Rick Brennan, and it states as follows:

"Ontario does the least of any province to protect car owners, consumer advocate Phil Edmonston says. Edmonston, president of the Montreal-based Automobile Protection Association, made this claim Monday as he officially opened the association's Toronto office on Granby Street.

"'Ontario is one of the worst provinces, in my opinion, for consumer protection. It's a disaster. Your consumer ministers have been a disaster,' Edmonston told reporters.

"Edmonston cited as an example how Oldsmobile owners in Ontario who discovered their cars had Chevrolet engines in them lost \$250 each and an extended warranty through the procrastination of Frank Drea, then consumer affairs minister.

"Edmonston said General Motors had agreed to the cash payment and warranty extension provided the provincial government didn't take further action. Drea wouldn't agree and did nothing else to aid the owners either, he said.

"'We want to get in Ontario a strong series of laws to protect the motorist,' Edmonston said."

It is his job is to protect the motorist. We in this party want to get into legislation a strong series of measures for the general protection of consumers in this province, because they are at a tremendous disadvantage with this government. What the government has not done for car owners is indicative of what it has not done for consumers in general and what is not going to be done by this bill we have before us.

I am sure you will recall, Mr. Speaker, because you were here then, that the matter of these Chevmobiles was raised by myself and, I believe, one of the Liberal members, on a number of occasions with the then minister who, in his usual bombastic style, said, "I am not going to sell out the consumers and sign away their rights just to get \$250." How phoney that is. He knows no consumer could sue General Motors for a sum of \$200, \$300 or \$400 and take them all the way to the Supreme Court. That was his way of saying that our government was not going to intervene in this matter.

So those owners of these Chevmobiles, which I believe were 1978 models, got nothing when they could have had \$250 just by the then Minister of Consumer and Commercial Relations being willing to sign a document. But he refused to do it, just as he refuses to intervene in all other consumer matters.

The Deputy Speaker: Back to the bill.

Mr. Swart: I believe I was speaking to the bill, Mr. Speaker, because ostensibly there is a consumer price protection in there. I am trying to point out the need to strengthen that section of the bill to make it a meaningful section and to show how people are being ripped off. I intend to do that for a short period of time longer; to show how people are being ripped off and the need that we have for some genuine consumer protection in a bill that is the first even to mention consumer price protection. I think you will agree, Mr. Speaker, that is a reasonable item to discuss in the bill we have before us.

This bill we are discussing, according to the government's own pronouncements, is an inflation-fighting measure only. They said there was no other purpose to this bill, that the whole purpose of the bill is to fight inflation. So I want

to say just a few words about my definition of inflation.

First, I want to provide proof of what I am saying by quoting from the nine-minute speech made by the Minister of Consumer and Commercial Relations (Mr. Elgie) on September 23, between 5:51 p.m. and six o'clock. He said: "That is the reason this bill is here today. It is to address the issue of inflation. . ."

The member for Huron-Middlesex (Mr. Riddell), who is not in the House at this time, also used the same type of phraseology in putting forward the same argument: that this bill was necessary; that it did not go far enough but was necessary to fight inflation; and that there was no other reason for it except to fight inflation.

I went through a major war and a Depression, and I can remember the term "inflation." I looked it up in the dictionary. Traditionally, "inflation" means there is too much money chasing too few goods. That is what inflation is about: inflation is when there is too much money in circulation and there are too few goods. Thus the price of the goods is driven up because there are too many people trying to buy the same products.

3:40 p.m.

The member for Huron-Middlesex dealt with the philosophy of the Liberal Party. He was the only one I heard deal with it at length, and he insisted he was an economist and had consulted all kinds of other economists and could not find anybody who disagreed with him. He said that here in Hansard: "The government must restrict the growth rate of the nominal money supply. . . . Gearing the economy down from a high inflation rate to a low inflation rate will, in all probability, entail a prolonged period of high unemployment and high interest rates. For such a restrictive monetary policy to be successful it must accomplish two objectives. First, it must indeed lower the actual inflation rate. Second, and more difficult, it must lower inflation expectations. . . . Under competitive market conditions, a declining rate of inflation requires excess supply conditions which can be generated either by increasing supply relative to demand or by reducing demand relative to supply."

In other words, he is saying, either there are not enough goods in our society or there is too much money. He is harping back to the philosophy of 50 years ago, that there is too much money chasing too few goods. That is our problem today, and, therefore, we have to cut

back the money supply. What could be more ridiculous than that?

He went into this at great length, but it is absolutely ludicrous. Have we got too much money today in the hands of the people chasing too few goods? Are we not selling enough new cars because people have too much money or because there are not enough cars? Are we not selling enough houses? The housing situation is worse now than it has been in 22 years. Is that because people have too much money or because there are not enough houses on the market? That is absolutely crazy.

The word "inflation" as used today means only one thing: price escalation. That is what the word means today. We say we have an inflation rate of 12 per cent. That means the consumer price index goes up by 12 per cent. Today it has nothing to do with the matter of too much money chasing too few goods. A person who puts that argument forward is living in the pre-Second World War years. It was exactly the same thing during the Depression. It was not a case of a shortage of goods and too much money in circulation. It was the same thing we have today. People did not have enough money to buy the goods we could produce and were producing, and people were laid off and they had less money. It was the same cycle then as now. Anybody proposing that, whether it is the government or the Liberal Party, is not in touch with the real world and the realities of the situation we are facing today.

I want to make one other point before I leave this issue of inflation; that is, price escalation. If we want to deal with it realistically, it is price escalation in relation to average purchasing power. When we talk about an inflation rate of 12 per cent, that means prices have gone up by 12 per cent, but if in this past year the average income has gone down by three per cent in relationship to that, we have an inflation rate of 15 per cent. We have to compare the two if we are really going to compare the effects of inflation.

As I said, the definition of "inflation" is really escalating prices. If we want to do something about inflation, we hold prices down. That sounds very simple. I realize it is not that simple, but the objective must be to hold prices down if we really want to fight inflation.

Of course, there are several factors that set the end price, including wages; we know that in this party. But—and in this we again disagree with the Liberal and Conservative parties—the end price to consumers is not always based on

costs. The other two parties are quite willing to say that if the private sector deals with all of this, everything will be fine. I am going to go into that a bit, but that simply does not work in the prices we pay today, for many items are not really based on the costs of production.

We do not subscribe to the blind faith that the price is always right and that there can be no government intervention. In fact, such intervention is sometimes frequently necessary if the consumer is going to get a fair deal. On Friday morning, when he was asking a question, the deputy leader of this party, the member for Port Arthur (Mr. Foulds), read into the record a statement from Mr. Biddell on price controls. Members will remember that. It was carried in CA Magazine. Of course, Mr. Biddell is now the head of Ontario's Inflation Restraint Board.

Under the heading "Yes, We Can Beat Inflation in Canada by Keeping the Prices Right," he said this: "Simply put, high inflation is a continuing unacceptable rate of increase in the prices we have to pay for the goods and services we consume. To contain inflation effectively we must slow down the rate at which prices are increasing. We must control prices." Again this is, I guess, a fairly logical assumption.

He goes on to say: "Most people believe that this is just what the UK, the US and then Canada did under our respective anti-inflation programs the last five or six years. The fact is that, except for a very brief temporary price freeze in the UK and the US programs, none of us did" control prices, from what he is saying.

"We did not control prices," he said. "We attempted to control some profit margins, and we controlled wages and salaries and we controlled dividends, all in the hope that by doing so we would inhibit price increases. Our efforts had some success, but not nearly what we might have had and could in fact achieve now if we set about it in a more direct fashion: by directly controlling price increases."

That is a quotation from Mr. J. L. Biddell, who is head of the Inflation Restraint Board at the present time.

I just want to pick up on what he is saying. I want to say this because I think it is important for us to say it, and particularly in this party, because we believe it; that is, competition is perhaps the major and the most effective way for consumers to get the best products or services at the best prices. It may be a hell of a way of setting economic priorities in our society. It may be a terrible way of providing for employment, of doing economic planning. But,

generally speaking, true competition will give us the best product at the best price. We in this party believe that, and I hope all parties throughout this House believe that.

But what we believe that the other parties do not believe is that if you do not have true competition, then you have to intervene to get it. And if you are dealing with monopolies or with only a few companies, you are not getting that competition, you are not controlling the price to consumers; then you have to provide some alternative, because consumers have the right to assure that they are getting a good product at a reasonable price.

There are three situations when a consumer pays too much unless the government intervenes. One of these is on natural monopolies, whether we are talking about Bell Canada, natural gas, hydro or cable TV. Any private company that has a monopoly will exploit the consumer unless government intervenes, and government has an obligation to intervene and to intervene in a way that is going to adequately protect the consumers.

3:50 p.m.

The second area where we need to intervene and where consumers are paying too much is where there is lack of competition. I can point to several examples, such as the production of salt in this province or the production of prepared cereals within this nation. There is also the processing and distribution of milk, and the matter of ethylene glycol for our radiators, where we have two companies in this nation that are producing it and quite frankly admit they are not competing. Government has to intervene and should have intervened.

The third area where we need to have government intervention and where consumers are paying too much at present is in the matter of multinational companies, which to a very large extent control the market in this nation. Usually, their headquarters are in the United States. In many instances they automatically assess the dollar differential against the price in Canada, even though the product is made in this nation and there should be no dollar differential whatsoever. I shall be giving examples of two or three of those, and I shall be giving more than that in the areas of tissues and detergents, where we have this situation.

Make no mistake about it, these are a very real part of the reason for high consumer prices. In many areas they are unreasonably high. If anyone does not agree with that, I suggest that he talk to the consumers.

I had a person say to me the other day: "You know, going into a supermarket and going down the aisle is almost a religious experience. You see the women looking at the price tags and they say, 'Oh my God, oh my God.'" People are concerned about the rising prices that we have in our society, and they expect a government to deal with the situation such as we have today and to intervene on their behalf when competition does not give the needed protection to the consumers.

I want to go into the issue of the excessive rates we are paying for home heating to the Consumers' Gas system and the total inadequacy of the government to deal with this matter. They already have an agency set up to protect the consumer and to talk about what is needed in this bill to give that needed protection.

Last February, Consumers' Gas was awarded a 32 per cent increase in domestic rates from February 1981. That is not my figure; it is the figure of the Consumers' Gas.

I have a letter here from Mr. R. W. Martin who, as members well know, is the president of that company. He lists all the rates, the increases that have been given to Consumers' Gas since 1964. He also gives the figures for the average bill. He points out that in February 1981 the average home owner paid \$657.02 for gas for heating, and in February 1982 the average home owner paid \$870.64, which is an increase of 32 per cent in one year. At the same time, this government is saying to public employees, "You should be satisfied with a five per cent increase."

The increase that Consumers' Gas got in February 1981 amounted to \$77 million for its own purposes. It had nothing to do with the pass-through of costs by the energy agreement between Ottawa and the provinces. It had everything to do with the increase that was awarded to them by the Ontario Energy Board. In fact, prior to that time, they were getting something like—these figures are rough, but they are not too far off—\$225 million.

Consumers' Gas was to distribute the gas it bought from the pipeline coming from the west, and it got \$77 million more on top of that \$225 million for distribution purposes. Even if we take out all their additional costs, interest rates, dividends and everything else, they still will have, they predict, a 20 per cent increase in profits up to October 1, 1982. That is what that raise is going to give them.

The markup they got in February 1981 on the wholesale price of gas, including taxes, was 60 per cent. The traditional markup they had been

getting over the years was in the neighbourhood of 20 per cent. They said all this to me; so I have it and I can provide anybody here with the figures. Traditionally, they had been getting about 20 per cent. But in February 1982, when we were in tough economic times, when all kinds of people, not just consumers and not just residences, but businesses and so on, cannot afford any additional costs, they gave them a markup of 60 per cent of the increase in the wholesale cost of gas.

Consumers' say publicly: "We have to have a lot more money for distribution because we are doing a lot of conversion. There are many people going off oil and going on gas." I checked out the figures they submitted to the Ontario Energy Board and I found they are up only very slightly over their projections for 1982, for which they were awarded this increase over what they got last year. Not only that, the federal government this year awarded \$15 million to the gas companies in Ontario for the changeover from oil to gas for the extension of lines in nonprofitable areas, and Consumers' got \$7.4 million of that \$15 million in addition to this increase they have been awarded.

That increase was consciously designed to give greater profits to Consumers' Gas, and that is exactly what it did. In the application they have before the board now, they admit their profits after taxes will go up from \$102 million last year—that is their projection this year—to \$137 million this year, a 35 per cent increase in profits, and the increase was consciously designed to do that.

We in this party thought that was a bit unreasonable, so we thought we should appeal it. There is a provision under the Ontario Energy Board Act that anyone may appeal, if so desiring, any award made and the appeal goes to cabinet. We appealed on March 22, saying that was an unreasonable award. Immediately after that, Consumers' applied for another \$83-million increase on top of the \$77 million they got last year. They applied for another \$83-million increase this year for themselves for the distribution of natural gas, which would have put the rates up again by about another 23 per cent. They would have put it up this year, after having an increase of 32 per cent last year.

There was a woman in Port Colborne, by the name of Lillian Clark, who decided this was a bit much. She had watched the debate here in the Legislature, had read Hansard, had heard the answers from the Minister of Energy and others defending the increases they had last year and,

more than that, saying that they were not going to intervene this year with the Ontario Energy Board, that they were not going to tell the OEB things were tough and they should keep their increases to a minimum, that they were not even going to tell the board they should have a policy, a rate structure, that would conserve energy. They would not even tell them that.

4 p.m.

She decided the only way we could get some restraint there was to start a petition. She collected some 45,000 names on a petition that was presented in this Legislature and in the end was presented to the OEB hearings on the new rates.

Consumers' Gas proposed that this year again their profits should increase from 16.25 per cent return on equity to 17.25. In fact, while the average profits of other corporations generally have gone down 50 per cent this year, Consumers' Gas is saying its profits should go up, that it should increase its return on equity from 16.25 to 17.25 and, in so doing, increase the base rate that consumers are paying from \$6.23 up to \$17.25 monthly. Whether one uses any gas or not, one would have to pay \$17.25 monthly.

As a result of that petition, and perhaps to some extent as a result of our badgering the government, Consumers' Gas made a change in their application. It appeared on the surface to be a great improvement, that they were giving a great concession to the public in cutting down the requested increase. They said they were cutting the \$83 million to \$48 million, that they would really go along with a six per cent increase for this year and would be happy with it, and they appeared to be the good guys.

That was really nothing more than a con job on the public, because they really did not decrease what they were asking for one iota. Oh yes, they said they would go down from \$83 million to \$48 million in their request, but the difference, the \$35 million, was money they owed the federal government for deferred taxes: they would not bother paying that back this year; anyway, they were getting a very cheap rate of interest on it. They did not drop any of their demands for their own purposes.

The six per cent was an equally big con job, because what they said was, "We are willing to accept a six per cent increase in the price to the consumer if we get all of that." Do members know what that means? Suppose you have a producer, a processor and a retailer. It is as if the retailer says, "Yes, I will go along with the five per cent increase in the retail price of the

product as long as I get it all;" and the processor says, "Well, I will be satisfied with a five per cent increase as long as I get it all;" and the producer says, "I will be satisfied with a five per cent increase as long as I get it all."

It adds up to a 15 per cent increase, and that is exactly what this added up to. In fact, it was over a 15 per cent increase that Consumers' Gas wanted in the amount of money they were going to get for their own purposes this year. Yet they made all the headlines by saying, "We will go along."

In fact, I was looking at Union Gas too, if I can just pick this out here. Darcy McKeough—members will remember that he had something to do with the Conservative government here—made the comment, "We're going to ask for only a 4.4 per cent increase this year." That 4.4 per cent increase means a 20 per cent increase in the amount of money that is going to go to Union Gas for their own purpose of distribution. It is kind of a con job they are doing.

The headline in the financial section of the *Globe and Mail* is that Union Gas is going along with a 4.4 per cent increase, trying to make out they are good guys when in fact they have applied for a 20 per cent increase in their return for themselves. Of course, on top of that 4.4 per cent there will be the added costs of the wholesale price of gas.

Mr. Speaker, it has just been drawn to my attention, and I want to draw to your attention, that we do not have a quorum in the House. Therefore, I think we should cease this debate until we get one.

Mr. Speaker ordered the bells to be rung.

4:09 p.m.

The Acting Speaker (Mr. Cousens): We have a quorum.

Mr. Swart: Thank you, Mr. Speaker. I think it rather important that there be some discussion on the prices section of this bill because there has been practically none to date and not one word out of the government, as I pointed out previously. All they deal with is wages. There has been not a word about prices and obviously they are not going to do anything about it. There is no sincerity.

I was talking about the tremendous increases in the rates awarded to Consumers' Gas Co. They had asked for 32 per cent this year. We appealed the 32 per cent back on March 22 of last year. Let me put it another way. The award amounted to a 32 per cent increase in gas rates for the residential consumers of this province.

We wrote letters, we raised it in the House and we wondered what had happened to the government. Month after month, we had no reply to the appeal which we had made and arguments which we had documented in that appeal.

Then five days before September 21, we got a notice from them that our appeal had been turned down, five days before they were going to restrict the wages of the public servants. Five days before they were going to bring in a bill which, ostensibly, has something to do with controlling certain prices, particularly administered prices that come under the jurisdiction of the Ontario government, they gave that 32 per cent increase. Not one cent did they knock off that.

Surely, it is not coincidental that they brought that in five days before this. They did not want that cluttering up the so-called price control system. They did not want questions being asked in the House such as, "Are you now going to allow a 32 per cent increase in the gas rates to Consumers?" No. That would have been rather embarrassing. So they bring in this approval without giving a single, solitary reason for allowing that excessive award.

What have they done since that time with regard to the new award? The Minister of Energy (Mr. Welch) has sent a letter to the Ontario Energy Board saying that, in making its decision, the board should give consideration to the restraint program of the Ontario government. A copy of that, of course, went to Consumers' Gas. What did Consumers' Gas do on this \$48-million request which they have, which was to increase the profits for this year? Consumers' Gas said, "We will cut \$1.7 million from that."

Do the members know where they are going to cut it from? It will be cut from the wages of the workers. Profits are still going to go up. There will be no reduction in the request at all. The only reduction since the first request—there is \$83 million extra—has been to say, "We are not going to ask for the money to pay back the federal government." Now they are saying, "We are going to knock the wages down by \$1.7 million." But for their profit and for their other income, they are going to leave those requests where they are at the present time.

Everyone here knows that those gas rates are going to hurt commerce, they are going to hurt home owners and they are going to hurt the industries of this province, many of which cannot afford that kind of an increase this year. If the government had any sincerity in wanting

to control prices, what they would have done this year would have been to have frozen the rates. After a 32 per cent increase last year, they should have frozen the gas prices and allowed not one penny more in the rates for this year. They would still have had adequate profits. But no, they did not have the courage to do that sort of thing. They did not even have the concern to do it.

I want to look at another monopoly, Bell Canada, that giant Canadian company which last year asked for a \$550 million increase in revenues. It received \$440 million out of the \$550 million it had asked for. This year it has made profits of \$559 million net, which is up 100 per cent over the previous year.

In fact, profits are 25 per cent higher at Bell Canada than ever before in the period ending at the end of last year. Then, for the first six months of this year, its profits went up to \$303 million, 19 per cent above last year.

Last year it was a 100 per cent increase and in the first six months of this year it went up another 19 per cent. Of course, most of that increase it received last fall did not show up in last year's profits. It is showing up in this year's profits. Not only that, here in Metropolitan Toronto it applied an eight per cent increase last May to home owners' rates because the population had passed a certain number in this metropolitan area.

The Ontario government was involved in those hearings. The Minister of Transportation and Communications (Mr. Snow) assured me when I raised the issue with him a year ago that they were going to have representation there and they were going to be tough on this. They were not going to permit Bell Canada to get anything other than what it was entitled to. I wonder how many people in this nation think it was entitled to a 100 per cent increase in net profits last year and another 19 per cent in the first six months of this year. Other than what it was entitled to. I wonder how many people in this nation think it was entitled to a 100 per cent increase in net profits last year and another 19 per cent in the first six months of this year.

Where was the Ontario government? It was conned. There is no question about it. The member for Cochrane North (Mr. Piché) knows that. How much have the rates gone up there for Bell Canada? The member for Cochrane North knows how they have been conned. Where was the Ontario government, which was supposed to be fighting on the consumer's side in those hearings?

Where is the government of this province now when Bell has been battling for and has won corporate restructuring which will take a lot of its operation out from under the jurisdiction of the Canadian Radio-television and Telecommunications Commission and it will be able to increase those profits or shift them from one area to another? There has not been a word out of this Conservative government in opposition to that restructuring program.

The government in Ottawa is not that averse to seeing that Bell Canada gets a tremendous income, but if it had a little encouragement from this government it might intervene. There are a few of the cabinet ministers, including I believe Mr. Ouellet, who say they are thinking of changing legislation to prevent this corporate restructuring from taking place.

Where is the government of Ontario? Is it in there saying to the federal government, "Yes, you must do that because the Bell users of this province are going to pay much higher rates if this corporate restructuring goes through?" No, there has not been a peep out of the government. That is the government which has introduced this bill that mentions prices but incorporates nothing in the legislation which will do anything effective about it.

What a dismal record on which to place any hopes of this government protecting the public on consumer prices in the regulated sector.

I now want to turn to the second area, and that is why consumers pay more for many products than they should because of lack of competition, not monopoly per se but because for one reason or another only a few companies produce a particular product and there is only marginal competition.

First, I want to talk about the salt producers in this province. There are three companies which produce salt: the chemical division of Domtar, which produces Sifto and other salts; a Canadian salt company which produces—

4:20 p.m.

The Acting Speaker: I would ask the member to tie this in, somewhere, with the second reading of Bill 179.

Mr. Swart: That is a reasonable request. The way I am going to tie it in is by demanding that the government bring in legislation, or change its present legislation, to include measures which will provide for more competition. I have to point these out as examples because they are very real.

There is the Canadian Salt Co., which pro-

duces Windsor brand salt and others; and the Iroquois Salt Co., which produces only road salt. So, in fact, we have only two companies in Ontario theoretically competing for the market for table salt.

There is an interesting aspect of this with regard to road salt. For the last 10 or 12 years every salt company in Ontario has bid the same price on salt to municipalities. Every municipality that asks for bids for salt gets an identical quote for the price of salt, the only difference being transportation charges.

I was municipal affairs critic and the municipalities wrote to me about this. They have written to the combines investigation branch saying this should be investigated, but the combines legislation is not strong enough to apply so the salt companies continue charging identical prices. There are only two which supply the market for table salt, so obviously they have a nice, cosy rate.

I have here some rather important examples. I have Sifto salt which, as I have said, is made by the chemical division of Domtar, in a two-kilogram package. I also have a package of Sterling salt which I bought in the United States. We have investigated its wholesale price and so on. The package I have has a net weight of five pounds.

Hon. Mr. Ashe: Mel, there are no cameras here now.

Mr. McClellan: This is for your benefit, so that you will learn something.

Mr. Swart: It is for your benefit; yes, it is.

The Acting Speaker: Order. The member has the floor.

Mr. Swart: These are important items; when we are putting on wage controls we want to have some real price control, I want to show that we do not have it.

This Sterling salt, five pounds or 2.27 kilograms, sells in almost any store in the United States for 85 cents to 90 cents and was bought within the last 10 days, as were all the items I have here.

Sifto salt is made in Canada and has nothing to do with the United States prices. A two-kilogram box, which contains about a quarter less than the package of Sterling salt, sells for \$1.41, almost twice the price of the Sterling salt. But there is more competition in the US market and the price, therefore, is substantially lower than it is here.

I also have a one-kilogram package of Sifto salt, which sells here for 75 cents. I have Sterling

salt in a 737-gram package, which contains about three quarters of what we have in the Sifto salt package and sells for 29 cents. One would think that is worth investigating; that the government would start looking into something like that to find out why there is such a substantial difference in those prices.

It shows up in another way, too. As one would expect it would, it shows up in the profits of the salt companies; as much as we can dig them out, because Domtar does not separate all of its products, even its chemical division.

The Canadian Salt Co. has had a steady increase in profit. Last year, a pretty tough year for most companies, their net profits went up from \$8.2 million to \$9.9 million. That is more than a 20 per cent increase in their profits last year. Why? Obviously, because we do not have adequate competition legislation in this nation and there is a place for the Ontario government to get into the act. I will be talking about that a bit more later.

Let me go through another area where there is lack of competition in the items that consumers buy, and that is with regard to cereals. There are five companies that produce cereal products in this nation. Four of them are quite large. Those five companies are Kellogg, General Mills, General Foods, Nabisco and Quaker Oats. They are the same companies that produce in the United States. There are more companies but these companies also operate in the United States and, of course, their headquarters are, by and large, in the United States.

A little over a year or a year and a half ago the Federal Trade Commission there had charged Kellogg, General Mills and General Food Corp. with overcharging the public by 15 per cent, of taking \$1.2 billion because of their monopoly practices between 1958 and 1972—practices which they say are still continuing in the United States. Since that time, the United States, under the Reagan administration, has weakened the legislation to a very substantial degree. The charges have not been proceeded with but they are well documented for anybody who wants to read about them.

In this country, the situation is actually worse. We do not have as many companies competing and also our federal competition laws are much weaker than they are even in the United States. I just want to give an example of what is taking place with regard to prices. Just so we keep this within context, I want to point out that this is all related to this bill and to the need for sections of this bill to prevent these things from happening.

In the supermarkets, the price of Cheerios—one of the better products nutritionally—has gone up from 86 cents to \$1.63. That was a 95 per cent increase since January 1979. That has gone up a bit faster than wages have gone up, has it not? It is a bit faster than the farmer's return has gone up on these sorts of things too.

I have here a 300-gram package—that is 10.6 ounces—of Cheerios which sells for \$1.63. We can buy the same Cheerios in the United States. This box here is 10 ounces—283 grams; about five per cent less—is \$1.09 compared to \$1.63. Why? These are produced here in Canada and are not imported from the United States. They are produced here. Of course, perhaps the transportation costs are a bit higher here. They are not any higher in Ontario than they are in the United States, but if there is going to be a more or less uniform price across the nation the transportation costs are perhaps a bit higher. Actually our energy costs were lower, and still are a little lower, than the costs in the United States. Oats do not sell for any more here than they do in the United States. The main reason, once again, is that there is no competition in the cereal field. There is no real competition and so the consumers are being ripped off. We need much stronger competition legislation.

4:30 p.m.

Even in these tough times, cereal companies are not really doing too badly. I would like to read members a section of the annual report of the Quaker Oats Co.: "The Quaker Oats Co. of Canada Ltd. achieved record sales and earnings in fiscal 1982. Net sales rose 15.1 per cent to \$184 million and net income improved by 21.3 per cent to \$5.9 million. This followed a year of exceptional progress in fiscal 1981, and during the past five years net sales and net income, before extraordinary items, have grown in a compounded average annual rate of 11 per cent and 14.5 respectively."

I think most of the workers of this province would be happy if they had a compounded increase in their wages during the last five years of 14.5 per cent. But whom does the government apply restraint against? It lets these companies go scot-free and applies restraint against the public workers, reduces them to five per cent.

In case members think that is an exception, perhaps I should also read them a section of the annual report put out by the chairman of General Mills: "Despite the widespread economic problems that characterized the past 12 months, I am pleased to report that General Mills' family of companies experienced another

successful year. Consolidated sales revenue in fiscal 1982 rose 5.2 per cent to \$202.5 million, compared with \$192.6 million in fiscal 1981. Net earnings, before an extraordinary loss item, were \$9.5 million, an all-time record and 27.6 per cent greater than those of the previous fiscal year." The profits of this fiscal year were up 27 per cent.

Mr. Cooke: They are really hurting.

Mr. Swart: Yes, they are really hurting. There is no question about that.

Kellogg has not really done too badly either. I have a couple of their boxes of cornflakes here with me today. I have a package of Kellogg's cornflakes, 525 grams. It sells in the supermarket for \$1.67. That has gone up from \$1.53 since June. These were all bought either in Loblaws or in Dominion, our two largest supermarkets.

I have another package of cornflakes brought over from Niagara Falls, New York, and this package has in it 680 grams compared to 525. It sells for \$1.49 over there, so the Canadian price is some 60 per cent higher. It is the same company; it makes the Kellogg's cornflakes here. Of course, Kellogg's has also not done badly in recent times. Incidentally, that \$1.67 box of cornflakes was only 95 cents back in 1979—a 75 per cent increase since then.

Mr. Haggerty: What are the wages in comparison?

The Acting Speaker (Mr. Robinson): Order. Interjections.

The Acting Speaker: Order. Recognizing that the official opposition wants to debate it with the third party, I am sure it could do it somewhere else and enable the member for Welland-Thorold to continue.

Mr. Swart: That sounds reasonable, Mr. Speaker.

The Acting Speaker: Order. I have asked the member for Erie (Mr. Haggerty) particularly, who is being responded to by the member for Windsor-Sandwich (Mr. Wrye), to please allow the member for Welland-Thorold to continue his speech.

Mr. Cooke: The member for Windsor-Sandwich is not here.

Mr. Swart: It might interest the House to know that Kellogg's were able to increase their profits this year by something like 20 per cent. That is fabulous. Their profits went up from something like \$39 million to something like \$56 million. That poor company, which pays a minimum to the farmers and I guess cannot

even afford to have a union, got 30 per cent return on equity this last year.

Mr. Haggerty: How about the difference in the price of milk over there? You should mention that.

The Acting Speaker: Order.

Mr. Swart: I was just going to start talking about milk because it is another area where there is, I say frankly, a substantial amount of competition but where the competition has decreased dramatically in recent years. Because of that, consumers are paying a great deal more for their milk than they were a few years ago or than they should be paying at present. Milk now sells for 88 cents. That is before the increase next week, about which I asked a question of the minister today.

Mr. Haggerty: That is within the guidelines.

Mr. Swart: That will not be within the guidelines. That was an interjection of the member for Erie.

The Acting Speaker: Please ignore the interjections and continue with your remarks.

Mr. Swart: I predict that the increase on that milk next week will be more in the order of 10 to 15 per cent when the dairies and the supermarkets tack on their increases along with what the farmers get. Oh yes, the farmer is below the five per cent, you can be sure of that, and he has to justify every penny he gets for it; but the dairies and the supermarkets, which do not have to justify it, are going to add on a substantial amount.

The price of milk now is 88 or 89 cents a litre. It was 67 cents in July 1980, 27 months ago. It has gone up 21 cents, or 32 per cent. Out of that increase of 21 cents—and the member for Middlesex (Mr. Eaton) will know this—the farmer got only 8.25 cents. Only about 40 per cent of the increase went to the farmer.

Of course, there is a very real reason for it. The government does not have any control past the farm gate. They make the farmer justify every additional dollar he gets per hundred-weight, but once it gets past the farm gate the dairies and the supermarkets are free to do as they like with the price. The figures bear this out, if I can find my copy here underneath these cereals.

4:40 p.m.

Hon. Mr. Eaton: You have so many figures you are confusing yourself. You can't find them.

Mr. Swart: No, I am not confusing myself because I know them by heart. It always helps if

one can quote them from a document. The facts are that the share going to the farms now is substantially less than it was five years ago. By less, I mean about seven per cent less than it was five years ago.

Yet in those other provinces which have control after the farm gate, the share the farmer has been getting has been held equal or almost equal. In Quebec, where they have perhaps the most comprehensive legislation to control the price of milk, it sells for about 10 cents a quart less than it does here. That varies whether one is talking about one quart or one litre or two litres or three quarts or four litres. I have the prices here which I just secured from the milk marketing board in Quebec.

One litre of homogenized milk sells there for 77 cents; I am talking about the Montreal area and comparing it with the Toronto area. It sells here for 88 cents, 11 cents more. They have a minimum and maximum price there too under their controls. The maximum one can charge for it in the Montreal area, an urban area, is 82 cents. The price here is 88 cents.

Two litres of homo in Ontario are \$1.72. In Montreal it sells for \$1.52 and the maximum price they can charge is \$1.62. For four litres of homo—they do not have the three quarts here—the minimum is \$2.88 and the maximum is \$3.12. It sells for \$2.88 in Montreal. If we go to two per cent milk, we find a litre here costs 87 cents. It is only one cent less than the homo milk here. In Quebec it is 73 cents. It is four cents less than the homo in Montreal. Two litres sell here for \$1.70 and in Montreal for \$1.45, while four litres sell for \$2.62.

They have comprehensive control on the prices after the farm gate. That ought to indicate clearly we need that same kind of legislation in this province. That kind of legislation should be in Bill 179 or in another bill tabled at the same time. I have tabled such a private member's bill in this House. If the government were sincere in doing something about prices, it would move into an essential commodity like milk and do what others have done in most other provinces in this nation.

As I look around again, I think I am right in saying we do not have a quorum. I draw that to your attention, Mr. Speaker. Do we have 20 people here?

The Acting Speaker: I am informed by the table a quorum is present. While I am on my feet, I would also apologize to the member for Windsor-Sandwich (Mr. Wrye) for confusing

him with the member for Windsor-Riverside (Mr. Cooke).

Mr. Roy: Have you got a problem?

Mr. Swart: My figures are correct. I will stake them up against the member's.

Another area where the public is paying too much for an essential commodity is in the area of table sugar. I am sure everyone here knows that in the spring of 1980 the federal government launched a combines action against Atlantic Sugar, Redpath Sugars and St. Lawrence Sugar. It stated they controlled the market and were charging excessive prices. They were convicted in court and a fine of \$750,000 was assessed because it was a very serious offence. That was subsequently appealed and they were acquitted.

In acquitting them, the judge pointed out that the federal competition laws were weak. He said there was no question but that they had combined together to set prices which were higher than they otherwise would have been with competition, but they had to prove three things. They had to prove not just that they had combined, but they had to prove intent, and as a result they were acquitted.

Another area in which I have done some investigation over the years is in the matter of the price of ethylene glycol here compared to what is charged in the United States. There are only two companies that make ethylene glycol in Canada. One is Union Carbide and the other is Dow Chemical. Today is a most significant time to mention it because I just checked out the prices.

I have a US gallon of Prestone from the United States purchased at a K-Mart for \$3.87, not on sale. I have four litres bought in Canada. I paid \$8.88 for this one. The prices vary. At Home Hardware it is \$7.99. At Woolco it is \$9.49 regular, but on sale for \$7.44. K-Mart, the same company that sells it in the United States for \$3.87, sells it in Canada for \$8.88. At Food City we can buy it for \$7.99.

Regardless of where it is purchased, the price here is double what it is in the United States. All of our Prestone is made here. We do not import it. The basic ingredient of ethylene glycol is oil. About two or three years ago when the price of ethylene glycol in Canada went to double the price in the United States, our oil prices were substantially below what they were in the United States.

My assistant and I talked to these companies to find out why they had increased the prices

and they said there was a shortage here in March 1980.

Mr. Stokes: There is a glut.

Mr. Swart: From March 15, 1979, to March 18, 1980, they raised the wholesale price from 86 cents a litre to \$1.53 a litre. Then they built a new plant in the west and now they have a glut, as the member for Lake Nipigon (Mr. Stokes) has said. Only two companies make it and they are not about to lower the price. Once again the consumers in this province—

Mr. Stokes: Isn't the free market system wonderful?

Mr. Swart: Isn't the free market system wonderful?

Mr. Ruston: If you buy it in the right store, it's all right. You bought it in the wrong store.

Mr. Swart: The member should go out and get it for \$3.87.

Mr. Ruston: I did.

Mr. Swart: The consumers are being ripped off on items where there is lack of competition. Where there is competition, it is a different situation. Where there is lack of competition, neither this government nor the federal government will intervene to protect consumers on these matters.

4:50 p.m.

I have used these examples to show what takes place when we have monopolies, such as Consumers' Gas, or when we have a lack of competition. I mentioned one other area, and I want to elaborate on that a bit at present, that is, why consumers are paying too much for what they are buying here. That is because the multinationals add the Canadian-United States dollar differential in setting the Canadian price, even though the goods are totally produced here. Often this is combined with the lack of competition in this country.

I would just point out examples of a product I have displayed in this House before. It is a classic, so I think perhaps I should display it here again today. That is the matter of tissue and, in particular, the big seller, which is toilet tissue. I should immediately say that all the tissue that is sold in this nation is produced in this nation. None of it is imported at all; it is all produced, with one exception, by the multinationals.

The example I have here is in a typical colour that I thought it would be well for me to demonstrate. This was bought in Canada for \$1.89. It is Cottonelle, produce by Scott

Paper, if I remember correctly the name of the company that produces this bathroom tissue. The other Cottonelle I bought in the United States, four rolls for \$1.29. There is quite a discrepancy between \$1.89 and \$1.29. That is about 50 per cent more we are paying for it here. It is really a bit more than that because these two are not the same size. The one in the United States is a bit larger than the one here in Canada because they are still on the imperial system and we are now on the metric system, so they have cut down on the size here from what it used to be. So we are probably talking about a difference of about 60 per cent. All of it is made in this country.

Mr. Piché: Is it not against the rules to bring all these in? If you look up the rules you will see he cannot do that.

The Acting Speaker: Order. I would ask the member for Cochrane North (Mr. Piché), if he is making a point of order, to please do it in the correct manner, and if he is not making a point of order, to please come to order.

Mr. Piché: I will give you five bucks for the lot.

Mr. Mackenzie: That is about how seriously they take the bill over there.

The Acting Speaker: Order.

Mr. Swart: You will notice I have refrained from these kinds of comments to date. Members of this House will know I raised this matter before at some length with the then Minister of Consumer and Commercial Relations, the member for Scarborough Centre (Mr. Drea), and he promised to do a bit of an investigation into it. He came back with figures that he said showed the wholesale price in the United States really was no higher than it was here. I also remember he had to back off those figures because he found out they were wrong.

The price of the Canadian product is not set in relationship to what it costs to produce it here. About four companies produce it here. Studies done in the United States show that if there are only four or five companies producing an article there is not full competition. The price set on that product here is the United States price, plus the 20 per cent of the dollar differential, plus the import duty. There is about a 17 per cent import duty. They set the price here just at a level where the other companies in the United States, the smaller companies, will not bring it across the border to compete against the four companies which make it here.

Once again, because of the indifference of the

Conservative government here and of the Liberal government in Ottawa and because they will not intervene in these matters or introduce more effective competition legislation, consumers are paying far too much for the products they buy in this province.

I also want members to see some brands of detergents which are sold in both Canada and the United States. Some of you will have heard of advertising done by Procter and Gamble Inc. with their product Tide. This box, containing 2.38 kilograms or five pounds, four ounces, sells in the United States, where I bought it, for \$3.37. This box contains 2.4 kilograms, which is about a half of one per cent larger. In a supermarket here, one will pay for that, as I did, \$5.23, which is quite a contrast to the price charged in the United States.

This product is made in Canada. They import, so they tell us, a small part of the ingredients from the United States, but 90 per cent of the ingredients are produced in this country. There are really only three companies that are in the business of producing detergents: Lever Brothers Ltd., Procter and Gamble Inc. and Colgate-Palmolive Inc., all multinational companies.

The studies show that if only four companies are producing a product there is not adequate competition to keep the price down. These multinationals, two of them with headquarters in the United States, set the price on the dollar differential and then add their 20 per cent and any import duties, and that is what the consumers of this province and of this nation have to pay because this government will not intervene.

Procter and Gamble, one company on which I could get this information, has not done badly in the way of profits. Their Canadian profit in 1980 was \$41.5 million and in 1981 went up to \$46.4 million. That is an increase of only 12 per cent, but they managed also to have a 23.8 per cent return on equity. They are not doing badly, are they?

Mr. Breaugh: That's a little bit above five per cent, isn't it?

Mr. Swart: Yes, somewhere above five per cent, I would think, on the return they are getting on their equity.

As members know well, these are all commodities that are essential to the operation of our homes. They are not luxuries.

Mr. Breaugh: Are any of these included in this bill?

Mr. Swart: Nothing like that is included in the bill.

Mr. Breaugh: Absolutely none of them?

Mr. Swart: No. None of these is included in the bill. In any event, nothing is included in the bill that will lower the price of either services or these commodities to consumers.

I have another and similar product I would like to show members. These are samples I have shown here before. These are tissues again produced by the same company.

5 p.m.

Hon. Mr. Ashe: Six dollars for the whole lot—Canadian.

Mr. Swart: Mr. Speaker, this is Canadian. This is produced by a Canadian company. E. B. Eddy produces this White Swan, which you buy off the shelf. I bought it at \$1.89, which is the standard price if you buy it in Loblaws. You cannot buy it in Dominion; Loblaws now own E. B. Eddy, so they do not compete in that field. And they are both owned by Weston; so Dominion does not buy from them or they will not sell to Dominion, I do not know which.

This is produced by Weston, and this is the same tissue; this is sold in the United States. This one is sold here for \$1.89 and this one is sold in the United States for \$1.19. It is the same tissue. In fact, they are both sold in metric sizes because they are made here; so they are the same size, the identical tissue, but one is at \$1.89 and—

Hon. Mr. Ashe: With all the stuff you are putting out, you should be able to use it.

Mr. Swart: Well, we could use it any time cabinet ministers get up to talk.

The Acting Speaker: Just ignore the interjection, please, and continue with your remarks.

Mr. Swart: It is perfectly obvious that if they can afford to sell that in the United States for \$1.19—

Mr. Stokes: Plus transportation.

Mr. Swart: Yes, plus transportation. They have to transport it to the United States, and I have got the wholesale prices on it. They are selling cheaper there than they are here. Why? It is our wood. It is a Canadian company. Why should we pay more for our own product than they do in the United States? Because we do not have governments that care. That is the reason.

Mr. Stokes: Even the man responsible for the trees does not care.

Mr. Swart: No, no. Our trees are cut down to

sell the product in the United States at a cheaper price than we sell it here. Of course, it can be said now, truthfully, that the profits of the forest products companies are decreasing and have decreased pretty dramatically in the last year or so, but I want to point out it is not for that reason. They are not selling their lumber, their newsprint sales are way down, but consumers are still being ripped off in a major way on the matter of tissues.

I have another product here that I want to show too. I think it demonstrates as forcefully as anything can the way Canadian consumers are being ripped off by the multinationals because we have no intervention by government and because the bill we have before us does not really propose anything.

I have here some Kraft Miracle Whip salad dressing. Some of us on this side of the House will have heard of the Kraft company before.

Mr. Stokes: I thought we were boycotting them.

Mr. Swart: I think that boycott is actually over now, but in any event it is worth making a point. I have here two jars that look a great deal alike, as I think anybody would say. The one on my left, which is the Canadian one, contains one litre; the other one contains 32 fluid ounces, which is 0.95 litres, and sells in the United States. The 0.95-litre jar sells for \$1.39 and the one containing one litre, five per cent more, sells for \$2.69.

Hon. Mr. Pope: I don't believe you.

Mr. Swart: Somebody on the other side said, "I don't believe you." I challenge him to go into either Loblaws or Dominion, pick a jar off the shelf, then go over to any of the Tops or Bells stores in Niagara Falls, New York, and compare the prices. He will find this differential. Until he does that, he should not tell me he does not believe me.

Hon. Mr. Pope: I will choose my store.

Mr. Swart: He probably will choose his store.

Hon. Mr. Ashe: I'm glad you don't do the shopping around our place, because you'd bankrupt everybody.

The Acting Speaker: Order. I am sure the member for Welland-Thorold realizes that by going to these lengths to make his point he is running the risk of greater assistance and interruption from the other side than otherwise might be the case. I will try to maintain order as best I can, but I ask him to please draw his

remarks back to Bill 179 and continue from that point.

Mr. Swart: Mr. Speaker, I will accept your admonition not to pay any attention to the interjections. I consider it a wise admonition, because the interjections are not worth paying any attention to.

But I must say that Bill 179, which we have before us, deals with the matter of prices. The government is supposed to control administered prices and to monitor nonadministered prices. I think we should have some control over the nonadministered prices, not just monitoring, and I am endeavouring to point out the need for that.

I had mentioned Kraft, showing the contrast between the Miracle Whip that is produced and sold in the United States and the Miracle Whip that is produced and sold here. I point out that Kraft's net profit in Canada went from \$26 million last year to \$31 million; that is an increase of 20 per cent, and the return on equity it experienced last year was 30 per cent. I suggest there is room for it to sell its products to Canadian consumers at substantially lower prices than it does. If it is not prepared to do it, then a government that is concerned about what many people in this nation are now going through would be intervening and changing that legislation.

Many people are having their standard of living dramatically reduced and are unable to buy many of the things they desperately need. I encourage the government to bring in some meaningful price control in the bill. I hope that when this bill comes back from the committee, it will have those changes in it.

Mr. Stokes: What has Kraft done to the cheese producers in eastern Ontario, Osie?

Mr. Swart: I presume the member does not have any answer to the question posed by my colleague the member for Lake Nipigon.

The Acting Speaker: Nor would we like him to answer it. We would much rather hear the member for Welland-Thorold continue.

Mr. Swart: Mr. Speaker, we realize there are many companies that are suffering in our society at present. Many of them, particularly the smaller ones but even some of the larger ones, are going broke. It is equally true, as I have shown, that certain companies are exploiting consumers in this nation because they are monopolies, because there are only one, two, three or four of them and therefore there is little competition, or because they are multinational companies that arbitrarily set their prices in this

country based on our lower dollar value and the moneys they have to pay on imports coming in.

This government has done nothing, is doing nothing and will do nothing to stop it. This bill is a very real sham in that respect.

I now want to deal with one aspect of this. The government, if it wants to be honest with itself and with this House, knows that what I have said about prices is true. It is true that in the case of monopolies we are paying too much. It is true that when there is no competition we are paying too much. It is true that because many of the multinationals arbitrarily set prices here, we are paying too much.

5:10 p.m.

The government also knows that it has the power to control retail prices in this province if it wants to do so. Oh, I know they have said for years when we raise these issues in the House: "We do not have control over prices. That is a federal matter."

But when in the standing committee on administration of justice someone like me came down on the Minister of Consumer and Commercial Relations and asked him to get a ruling from the Attorney General (Mr. McMurtry) on whether they did have control over prices, we got a letter back, a copy of which I have here. It was written to Mr. Ciemiega, the director of legal services, Ministry of Consumer and Commercial Relations, ninth floor, 555 Yonge Street, and it is headed, "Ministry of Consumer and Commercial Relations: Authority Over Prices."

I would like to read a bit of this into the record, because it is important that this House know the authority the government has over prices, the authority it is not exercising and the authority it is not including in this bill and should be including. This was written by the Attorney General:

"I refer to your memoranda of October 16, 1979, and October 31, 1979, requesting an opinion from this ministry.

"With reference to statements made on page J1615-1 of the Instant Hansard and page J129 of the official Hansard for October 11, 1979, you have asked, 'Does the Minister of Consumer and Commercial Relations have authority to roll back prices in the province of Ontario?' The answer to that question is, of course, no. As far as we have been able to determine, no Ontario statute confers such a power on the minister.

"I understand that this question arose out of a discussion in the consideration of the estimates of your ministry by the administration of justice committee on October 10 and 11 last. It was

suggested that the Legislature had power to enact legislation to provide for the regulation or the rollback of prices in Ontario."

Of course, the member for Riverdale (Mr. Renwick) and I contended on the committee that such power did exist. Again to quote from the Attorney General's letter:

"Several examples of instances where prices were alleged to have been raised unnecessarily or thought to be too high were given. Reference was made to prices fixed outside of the province and to prices fixed in the province where goods sold in Ontario were sold at different prices outside the province. In particular, reference was made to the price of tissue and towelling which are produced entirely within Ontario from Ontario resources and which are sold in Ontario at a higher price than the price charged for the same commodity when exported."

I do not think I need to mention the application that has to today's discussion and the items I am mentioning here. Again I quote:

"Some of the discussion appears to have been at cross-purposes because no clear distinction was drawn between retail prices in Ontario of goods produced in Ontario, prices for exports from Ontario and prices in Ontario of goods brought into Ontario.

"I take it from your memoranda and from a reading of the relevant proceedings of the committee that the question to be addressed might be stated as follows: 'Is it within the competence of the provincial Legislature to authorize the Minister of Consumer and Commercial Relations to regulate (control or roll back) prices in the province of Ontario?'

"Contracts of purchase and sale are *prima facie* matters within property and civil rights in the province by section 92(13) of the British North America Act and are therefore subject to regulation by provincial legislation." This, of course, is the Attorney General writing.

"Provincial legislation can regulate intraprovincial trade but not interprovincial trade. Two leading authorities for the proposition that provinces have the power to control prices in the province in appropriate circumstances are *Home Oil Distributors* versus the Attorney General of British Columbia, and the *Carnation Company* versus Quebec Agricultural Marketing Board.

"In *Home Oil*, a 1940 decision of the Supreme Court of Canada, provincial regulation of the prices of gasoline and fuel oil sold in British Columbia, including the price of products pro-

duced all over the province, was upheld as constitutional.

"In the Carnation case, in a 1968 decision by the same court, the provincial marketing plan for the sale of raw milk by farmers to the Carnation Company, which processed it, was upheld. Even though Carnation paid a higher price under that plan than other processors purchasing from farmers in the same area and even though Carnation shipped the bulk of its products out of the province, the court held the marketing law to be in relation to intraprovincial trade."

It goes on, but let me read the final paragraph. It is headed "Conclusion" and it says:

"So long as it did not purport to regulate interprovincial or international trade or conflict with valid federal legislation in relation to the same matter, it would be within the competence of the Legislative Assembly to authorize the Minister of Consumer and Commercial Relations to regulate (control or roll back) prices in the province of Ontario."

There we have the ruling from this government that they do have the authority if they want to use it.

Of course, we know that in Nova Scotia the provincial government did use that authority to prevent the increase of prices of gasoline and motor oil and byproducts. In fact, it was based on what they did there that this province insisted that the price of the oil that was in storage for two months not be raised until the old oil was used up. That was not because this government took any initiative in an attempt to control those prices. In spite of this proven need for intervention in the price field, whether it is because of monopolies, lack of competition or multinationals, the government over there does nothing and this bill does nothing.

I was raised on a farm, and I remember when I was a boy we used to have salesmen who would go around selling horses. They would take a number of horses with them and would try to sell these to the farmers. I dare say they were a rather disreputable group. They would move on and you would never see them again, and you would find out afterwards that there was something wrong with the horse.

I remember on one occasion a salesman brought a horse around to my father and told him what an excellent horse it was. My father needed a horse at the time; so he looked in the horse's mouth at the teeth to get an idea of its age. There are some people in this Legislature old enough to remember these kinds of things;

you would feel the legs to make sure they did not have arthritis and that sort of thing.

I remember my father giving this particular horse a slap across the rear end; the horse took off and ran right into the side of the barn. My father said to the salesman: "You were trying to beat me. That horse is blind." The salesman said: "He's not blind. He just doesn't give a damn."

I do not know whether that government over there is blind, and I do not think they are, or whether they do not give a damn. I do not really think that is it in total. They must have—as individuals, at least—some concern for what is happening to people in this province, for what is happening to consumers, to those people who own their homes or to those people who cannot afford to buy things they were buying before that they desperately need or whether it is even that they cannot afford to get food for their children.

There are those people in our society. I have them coming into my constituency office all the time and it is sad.

Interjections.

The Acting Speaker (Mr. Robinson): Order.
5:20 p.m.

Mr. Swart: What I am talking about is control of prices. Members may make interjections about five per cent, I am willing to deal with that part of the injustice too. What I am talking about now is the injustice of doing nothing about excessive prices in this province, particularly at a time when the government is intervening to force a rollback in the wages of many in the public service.

As I was saying, I do not think it is because those on the other side of the House do not realize what is happening, they are blind to what is happening with prices; and I really do not think they do not care entirely, at least not as individuals. I cannot help but think there are some people in that motley crew on the other side of the Legislature who have some real concern about what some people are suffering.

I realize, of course, that on the other side of the Legislature they move in a world different to that in which we in this party move. To a very large extent they move in the world of the corporate elite, the world of lawyers and the world of their friends the doctors. I doubt very much if many on that side have many close to them who are really suffering at this time. I think that is a fair statement. That said, I think

there are still some over there who are concerned with what is taking place today.

I do not know how one could talk better about the bill than to talk about prices and the lack of government concern, and to point out there is nothing in the bill that will do anything about prices and it should, therefore, be amended drastically.

I say again I do not think all those on the other side are unconcerned about what is taking place or about the people who are being hurt. It is simply that they are not prepared to move from the straitjacket of their 19th century economic beliefs. They just cannot step out of it. The blinkers are still there and they cannot see anything other than the system which has been in force for 100 or 150 years.

They think things have not changed and that the old system which worked 100 years ago will work today without the least change in it. That is really what is stopping the government people from finding solutions to the economic, pricing and unemployment problems which we have in our society today.

What need to be included in this bill are tougher regulatory powers over those administered prices and over monopolies generally, or else there has to be public ownership; it is one or the other. In some areas perhaps the tough regulatory controls will work, and in others it will be much better to have public ownership where prices are accountable through the elected representatives in government.

One of these areas where experience has shown public ownership is the best vehicle is the matter of telephone service. In Manitoba, Saskatchewan and Alberta, the telephones are publicly owned. With the exception of Saskatchewan, they were public utilities and publicly owned before they had democratic Socialist governments. There were some people in those Liberal and Conservative governments who saw the benefits of having a public utility and the people over the years have reaped substantial benefits.

Today in all those provinces residents of cities of comparable size pay 25 per cent less for their phones than they do in Ontario and Quebec. It is a fact that cannot be denied. Their service is just as good and they pay 25 per cent less. Part of that is, of course, the \$550-million profit Bell Canada got out of the users of the telephone system in Ontario and Quebec last year and the \$303 million it got out of them in the first six months of this year.

There is another injustice even apart from

that. Bell paid something like \$500 million in federal taxes this year because it made huge profits. Of course, that comes out of Bell Telephone users. It does not come out of Bell Telephone profits, that is sure. It comes from the users. The people of Ontario and Quebec have paid some \$500 million into the federal treasury that has not been paid by the people in Saskatchewan, Manitoba and Alberta. For that reason alone, we should have the system publicly owned in this province.

I know all those members on the other side of the House object to it philosophically. No matter how far one could go to prove it beyond a shadow of a doubt, the members on that side of the House would not accept that. Then how do they excuse not having tough regulatory powers so they do not rip off the consumers to the extent they have?

Bell had a 100 per cent increase in its profits last year, up again 19 per cent in the first six months of this year. That is inexcusable in these economic times because not only is that a tremendous cost to users, many of whom cannot afford it, but it is a cost to business as well, as the members know. Therefore, it is hurting other businesses.

Another area where there has to be either much tougher regulation or a publicly owned system is the field of automobile insurance. We know that Manitoba, Saskatchewan, British Columbia and Quebec have public systems. Anybody who takes the trouble to investigate the amount motorists pay each six months or each year for their premiums will know it is substantially below what we pay in Ontario.

There are two, three or four reasons why rates are lower in those provinces where they have public ownership. Incidentally, they are all in a publication of the Ontario government which I have here. The opposition members may have seen this publication. I will quote from it in a minute or two.

The rates are lower because their administration costs are only half what they are in the private sector in Ontario and Quebec. They are lower because they instituted no-fault systems which eliminated most of the suits which took place and which, of course, had to be paid by the motorists in their premiums. Those are two of the major reasons and there was no subsidy whatsoever from those provincial governments. They put a levy on the gas, a gas tax. It was not a subsidy. That was part of the rate paid by the

people. That is all included in these studies that were made.

5:30 p.m.

It can be said with some justification, and I am surprised that some of the members on the other side did not use it as a legitimate argument, that in some areas of this province the accident rate is higher in the urban areas than it is out there, instead of using illegitimate arguments that have no basis in fact.

The select committee on company law, which commissioned a study on this, points out the advantages of the public system in Saskatchewan and Manitoba and British Columbia. When this study was done it was not in operation in Quebec so an accurate comparison could not be made. Let me read some of the financial comparisons from the select committee on company law report tabled in the House.

The committee members included the member for Mississauga East (Mr. Gregory), the member for Wentworth North (Mr. Cunningham), the member for Durham East (Mr. Cureatz), the former member for Sudbury, Mr. Germa, the member for York North (Mr. Hodgson), the member for Rainy River (Mr. T. P. Reid), the member for Riverdale (Mr. Renwick), the member for Kitchener (Mr. Breithaupt), the member for Wilson Heights (Mr. Rotenberg), the former member for Simcoe East, Mr. G. E. Smith, the former member for York Centre, Mr. Stong, the member for London North (Mr. Van Horne), the former member for Scarborough-Ellesmere, Mr. Warner, and the member for Renfrew South (Mr. Yakabuski). They commissioned a comparison.

Mr. Rotenberg: What has this got to do with the bill before us? It has nothing to do with the bill before us.

The Acting Speaker: Order. Please try to ignore the interjection and continue.

Mr. Swart: This is not for you, Mr. Speaker, but for those who have short memories and forget that there is a prices section in this bill. I repeat that if we are going to proceed with this bill it is absolutely essential that we make substantial amendments, and one of those should be either public ownership or a rate control board for insurance premiums in the province. It is absolutely necessary that be included in this bill.

To promote that and show how advantageous it is, I will quote some of this report. I am sure members will agree this is relevant to the bill we have before us. "Financial comparisons. Com-

paring premiums. Information received by the committee implies that premiums charged in the western provinces are generally lower than Ontario premiums. However, there are very real dangers in seeking to draw any inferences from these apparent variations.

"Differences in geography and vehicle population explain most of the variance. Driver categories used for setting premium rates are different. The method of allocating loss costs among various driver categories is different in that the Ontario process tends to be based largely on actuarial considerations while in these western provinces the process includes some consideration of extraneous factors, such as the financial capacity of the under-25 driver.

"Furthermore, there are differences in claims costs per accident from one province to the other. Finally, insurance revenues derived from 'gas' tax in Saskatchewan and Manitoba and from drivers' licence fees in all three provinces also tend to make it meaningless to compare the individual premiums in the various jurisdictions.

"A second basis of financial comparison is concerned with the operating costs of the government insurance systems and the private industry system in Ontario. This comparison involves a complicated process which is explained in full detail in background study 2 to this report. The comments and qualifications contained in section E of that study are very important to an accurate understanding of the comparisons.

"Many factors complicated the committee's analysis of the comparative operating costs. The practices followed by the government insurers and their operating results during the period examined by the committee rendered accurate comparisons with each government corporation and then with the Ontario industry to be difficult. Differences in accounting methods, sources of revenue and the fact that the government corporations are not subject to corporate income taxes contributed to the complexity of the comparison.

"Access by government insurance corporations to possible hidden subsidies or services which were not accounted for in their annual published report was another matter of difficulty for the committee. In this regard, the committee's consultants have made extensive and repeated investigations. As a result of their findings, the committee is inclined to the conclusion that there are no significant hidden subsidies or 'free rides' that would materially

distort the financial information under consideration."

There, of course, is the answer that was given.

An hon. member: Is he gone?

Mr. Swart: Oh, he is gone. He could not stand to hear his own report.

"Recognizing the above difficulties, the committee, however, considered it useful to quantify in very rough terms the apparent spread of operating costs between a government insurance system and the private industry system in Ontario. This was accomplished in the following manner:

"(1) The operating results of the three government insurance corporations, as published in their annual reports and certified by the auditors, were analysed in considerable detail. Five years' experience, 1972-76, was included for MPIC and SGIO and three years, 1974-76, for ICBC," the Insurance Corp. of British Columbia, because they had not been in operation long enough before that.

"(2) Because SGIO"—the Saskatchewan Government Insurance operation—"results on extension coverage for the period under review were not available, the SGIO ratios utilized were for basic compulsory coverage only. This exclusion does not have a material effect on the resultant ratios.

"(3) Average operating ratios were developed for each government insurer which eliminated certain extraordinary one-time costs and operating losses and adjusted the corporations' operating results to a break-even level.

"(4) These average ratios were then utilized to develop a representative operating cost structure for a government insurance corporation, which is presented in table 4."

I think it worthwhile just to note what they show in table 4. They show that in Manitoba the acquisition costs were 6.3 per cent, in Saskatchewan 6.5 and in British Columbia 7.1. The average for a government insurer was 6.6 per cent, compared to the private system of 18 per cent. Six per cent compared to 18 per cent.

The underwriting general administration, the underwriting and policy processing average, was 3.8 per cent for the government; for the private system it was eight per cent. The claims adjusting was a 7.2 per cent average for the three government insurers, and for the private sector it was 15 per cent.

Surely if anything could indicate clearly the advantage of having a government operated insurance system this clearly points it out, when

this was a study commissioned by this government and a report to this Legislature.

Of course, philosophically once again the members opposite do not go for that. It does not matter that it is better; it does not matter if it gives a better deal not only in lower rates but also in prompter settlements, fairer payments and fairer levying of premiums. It does not matter to the members over there. They are opposed to it because it is operated by the government and not by private enterprise.

But even allowing for that, the question has to be asked why they do not have a rate control board here for auto insurance rates. They must be aware that auto insurance rates are increasing very dramatically this year. I have newspaper clippings here, one of which is from May 14, 1981. It is a Canadian Press story, and I quote:

"'Automobile and home insurance rates will probably increase by 30 per cent across Canada starting this year,' said the chairman of the Insurance Institute of Canada. Ian Mair of Montreal said in an interview Wednesday that rate increases for personal lines of insurance have started in reaction to the horrendous company underwriting losses. 'Rates for personal and home insurance have been unrealistically low, and insurance brokers have been competing among themselves and cutting rates,' said Mair, president of the Prudential Assurance Co. Ltd."

Here is a man who is a senior person in the insurance company, a senior private enterpriser, if you will. He is saying they have been competing against themselves in cutting rates and they have to stop that now and have to get this 30 per cent increase.

5:40 p.m.

Then we have—if I have it with me, and I may not have—the comment of the head of the Insurance Bureau of Canada, who pointed out that the rates this year are going to go up by something like 25.5 per cent. Yet the government does nothing about it. I raised this in the Legislature with the Minister of Consumer and Commercial Relations (Mr. Elgie), who has responsibility for this, and asked if he was going to intervene because of these proposed rates. His answer was "I am a little disturbed that the member threw in the issue of automobile insurance because I know his position is that everything should be in the public sector, but I hope he is open and honest enough to agree that the competitive forces in this province have given us extremely low automobile rates. I know he

likes to talk about the recent rates without looking at the facts."

Then he says this: "In 1977 premium rates on average have only gone up seven per cent in this province, while the payout on claims has gone up over 52 per cent." Maybe he did not mean to say that. I suspect he meant to say an average of seven per cent a year, not seven per cent. I will give him the benefit of the doubt. Whether I give him the benefit of the doubt on that or not, he has compared oranges with apples, and deliberately so, because he says rates have gone up seven per cent and the claims have gone up 52 per cent.

One cannot compare rates with total claims. There are far more cars now than there were then. Why did he not say how much total premiums had gone up compared to claims? Then one would be comparing apples with apples and oranges with oranges. But he does not do that. He tries to let the people of Ontario believe that they are not being exploited on their insurance rates. I tell members that the rates are going up this year. The people of Ontario are being excessively exploited on insurance rates.

This points out the need for this bill to be amended to include some provision for a rate-setting board. Do the members know that they have one in Tory Alberta?

I talked to the director of that board out there—and I know the government members, the ministers, would tell us, "Oh, it is just another expense and it does not do any good." I talked to Ed Collins, who is the manager of the Alberta Auto Insurance Board, who told me he runs that with a staff of two. Would members believe that? They have another person in part-time. There is Mr. Collins and a woman who acts as his assistant. She does the typing and assists in other ways. They have two staff members and they get an actuary in now and then. Every insurance company has to get approval if it wants to increase the rates of auto insurance, that is the compulsory rates not the voluntary rates.

Do the members know what he told me? He said that since the board was appointed they have saved tens of millions of dollars for the motorists of Alberta by this insurance rating board. Why does this government not bring in a rating board and give us at least that kind of benefit, until we get rid of the government and get in an NDP government and bring in the ultimate, the very best in auto insurance, which is the public auto insurance system?

Hon. Mr. Ashe: Just as it has done so well out west.

Mr. Philip: It has done well out there.

Hon. Mr. Ashe: It is great stuff in Saskatchewan and great stuff in British Columbia too.

Mr. Speaker: Order.

Hon. Mr. Ashe: They lose money hand over fist.

Mr. Swart: Perhaps the best indication of the value of public auto insurance, which should be brought in here as part of price control, is the fact that after the New Democratic government instituted public auto insurance, the governments in Manitoba, Saskatchewan or Alberta, be they Liberal, Conservative or Social Credit, did not revert to the old system. Yet out there, just as here, they wear blinkers against public ownership; it is contrary to all their principles. But it worked so well they had to compromise with their principles if they wanted to remain or become the governments of those provinces. They had to promise they would not disband the public auto insurance system. There is no better proof than that.

Even if the government has not the courage and the good sense to go ahead with that as part of its protection package to consumers, now that it is interfering with wages, at least it could do what Alberta has done, and that is to have the auto insurance rating board. As I have just pointed out to you, Mr. Speaker—I think somebody was talking to you and you did not have the advantage of being able to listen—the Alberta director, Mr. Ed Collins, says that with a staff of two they have saved tens of millions of dollars by approving every increase in auto insurance rates.

I introduced a private member's bill, Bill 25, to accomplish the same thing in this province. I thought perhaps the government here, as another Conservative government had done, might be willing to have an auto insurance rating board to help out consumers in a year when rates are going to go up by 25 per cent, or in any case fairly substantially, but it will not agree to even that kind of protection for the consumers of this province.

Mr. Riddell: If the member for Welland-Thorold wants me to auction the items on his desk prior to the six o'clock adjournment, he had perhaps better wind up his remarks now to give me a little bit of time to get a suitable price for those products.

Mr. Speaker: Is the member for Welland-Thorold going to have an auction now?

Mr. Swart: Mr. Speaker, I would just like to reply to the member for Huron-Middlesex (Mr. Riddell) that he is not going to have any better luck acquiring any of this produce than he had in acquiring the silver tray at the ploughing match.

Mr. McKessock: You are only going to win that one.

Hon. Mr. Norton: Keep on ploughing.

Mr. Breaugh: He will.

Hon. Mr. Ashe: You provide lots of fertilizer.

Mr. Cooke: The minister's interjections just reflect his brilliance.

Hon. Mr. Ashe: It takes one to know one.

Mr. Swart: Mr. Speaker, I pointed out that the first thing that needs to be included in this bill, in its companion bill, or perhaps even in a statement by the Premier (Mr. Davis) or by other cabinet ministers, is an assurance that with regard to monopolies the government is prepared to have tougher regulatory powers, in some cases to take those industries and businesses under public ownership. I pointed out what had been done in the western provinces with regard to phone rates and auto insurance. I want to make some comments about the need in general for a public advocate bill in this province.

Members of this Legislature will know I tabled such a bill several times, and this year on April 28. It is a bill that would provide for a consumer ombudsman in this province and it is similar to legislation in many states of the United States. Perhaps the best and most successful example is the state of New Jersey because it has the oldest and the most comprehensive legislation. The public advocate's office takes rate hearings and other matters, including environmental hearings, on behalf of the public. It is financed in such a manner that it has nearly as many resources as those that are trying to get the rate increases or are trying to establish operations which may attack the environment. It has been tremendously successful.

They tell me, and it is public knowledge, that they have saved something like \$1.5 billion since 1974 for the consumers of that state. I point out they have a population similar to what we have in this province, so the same sort of thing would be possible here. Surely we need it here desperately. Let us take as an example the Ontario Energy Board hearings on gas rates.

Last week I outlined what took place last year and early this year at hearings where Consumers'

Gas was awarded an increase which permitted rates to be 32 per cent higher in February 1982 than in February 1981. At the hearings which set those rates, Consumers' Gas had 20 expert witnesses, some of them, of course, their own employees. They had two full-time lawyers during those hearings.

On the other side there were the industrial gas users who had one witness and one lawyer there part of the time; the apartment owners had one lawyer there for a very brief time; and there were the manufacturers of heat pumps who had one lawyer there for a very short period of time. That was the confrontation. There were 20 experts plus two full-time lawyers on one side for Consumers' Gas which was promoting this and had a lot at stake, and on the other side there was not one single person representing the consumers of this province.

If the Minister of Energy (Mr. Welch) was here, I know he would say, "Oh, yes, but the Ontario Energy Board is supposed to be doing some investigation on its own." I do not doubt that they do some investigating but they do not have the staff to do it either. They cannot be an advocate before the board in the way we desperately need if we are going to have the kinds of hearings which are going to set rates. We desperately need an advocate that would have the same kinds of resources as the companies promoting the rates.

In New Jersey and in the other states where there is a public advocate or consumer ombudsman, whatever you want to call him, he is provided with funds so that it does not cost the public anything and does not tax the public purse. The companies that are applying for the increase must fund the public advocate's office. It is not on an exact basis of the amount that is spent but they have to fund the public advocate's office. In New Jersey it has not cost the public a cent on its taxes for this.

Maybe it would be fair, and I think even those on the other side of the House might think it was fair, if Bell or Consumers' Gas, which had a lot at stake and wanted to get these increases, had to do that—and everything that it costs them at those hearings has to come out of the users and the consumers. Make no mistake about it, that is where it comes from. At the second last hearing Bell said it would get the \$2 million back out of telephone rates. They do not pick that out of the air. It may be equally fair that there should have been another \$2 million paid in by Bell for a public advocate so the consumer could be

represented on an equal basis. This is what is needed with regard to a public advocate.

If we are going to have the rates of a monopoly or perhaps even those which are noncompetitive for other reasons determined by a board or a court, then surely both sides ought to have equal representation and the same kinds of resources at those boards. Yet with that government over there it does not matter whether it is an environmental hearing or a land use hearing. I go to the Niagara Peninsula. Traditionally it is always a David and Goliath battle, with Goliath being the corporation.

Unfortunately, it has not ended up in the same way as David and Goliath did.

Mr. Bradley: A party of privilege.

Mr. Swart: It is a party of privilege, yes, but it is a party which sets up an imbalance in favour of its friends. In the case of the corporation versus the consumers, they are on the side of the corporation and they assure that by having these unequal hearings.

Mr. Speaker, I recognize it is six o'clock. Perhaps I can continue the debate at eight, when I will get into the whole area of competition.

The House recessed at 6 p.m.

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Ontario

No. 117

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Tuesday, October 12, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 12, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

The Deputy Speaker: In continuing the debate, the member for Welland-Thorold (Mr. Swart) has the floor.

Mr. Breithaupt: With all his supporters, Mr. Speaker.

Mr. Swart: Mr. Speaker, they may already be out starting to celebrate.

The members will recall that when I started speaking on Bill 179 I mentioned a number of reasons why this party was in strong, almost vehement opposition to the bill we had before us. One of those reasons was the unfairness of the bill. It is unfair in many ways. It is unfair because public servants are being singled out as the only ones who have restraint applied to their wages.

In fact, there is no restraint being applied to any other sector of the economy. The so-called control on prices is totally a façade. The public servants are being singled out because they are vulnerable, because the government wants to focus attention on them and because the government wants to pit them against the unemployed. Certainly they have done that in their speeches so far.

Secondly, we say this bill is extremely unfair because there are no comparable restrictions on such things as interest rates or, as I mentioned, on prices. It legislates the limits on the wages that can be paid to the public servants, but there are not even any criteria in the bill as to the amount of the price increases that are going to be permitted. There is certainly no freeze on prices. There has been such a contrast between that and the treatment of the public servants that it is an injustice which we in this party cannot tolerate.

As the members know, I dwelt at length this

afternoon on the subject of prices and the need for some intervention in the matter of consumer prices. I pointed out that consumers were paying far too much in many areas; yet in the bill we have before us there is no effective means of controlling prices.

I also pointed out the injustice in that what little, if anything, is going to be done is limited strictly to a period of one year, no longer. The bill makes that clear. Yet when it comes to the salaries of public servants, it can be one year or, in many cases, two years, even up to three years, that the government is going to intervene and control the wages of those workers.

Specifically, this evening I want to mention the injustice to one group of workers with whom the member for St. Catharines (Mr. Bradley) and I are very familiar; that is, the public health nurses. That in itself would be enough to make us vote against this bill, just that one item.

The public health nurses in the Niagara region have been on strike since last February. They went on strike to try to get salaries comparable with those paid in the other health units in the province. They were the lowest-paid public health nurses in any of the health units in Ontario. So they went on strike on May 3 to try to get parity; not to get up to the top but just to get up to the average salary being paid to public health nurses.

It is rather interesting that these public health nurses were not given the parity increase that was recommended by the Ministry of Health back on August 12, 1974. The member for St. Catharines and I have repeatedly raised the issue in this House, saying the Ministry of Health should intervene and see that they got some parity with other public health nurses. They said: "No. We keep our hands off. We leave that to bargaining between the health unit and the nurses' association local in that area."

Mr. Bradley: And the very enlightened chairman.

Mr. Swart: And the very enlightened chairman, yes. I have here a memo that was sent out from the Ministry of Health to the chairmen of boards of health and medical officers of health, entitled "Adjustments to the 1974 Budget." I will just quote one or two sections from this document:

"If and when health units have negotiated or established pay patterns for registered nurses based on, but not exceeding, the amounts and the time frame of the Ontario Nurses' Association agreement, they may then submit supplementary budgets to obtain additional cash flow. If an existing contract is reopened, the effective date will not be earlier than July 1, 1974."

Even this document from the ministry suggests they should reopen contracts to pay this additional amount to bring them up to the nurses in the hospitals.

It says: "Effective August 12, 1974, supplementary budgets for 1974 as requested in my May 3 letter and written submission requesting funds in respect of salary and wage commitments entered into after June 28 in accordance with ministry guidelines"—the ministry guidelines incorporating parity with the nurses in the hospitals—"will serve as the basis for the immediate modification to cash flow to catch up to 100 per cent of legitimate amounts requested by health units to meet commitments."

Here was an instance where the Ontario government in its more enlightened days offered to pay 100 per cent of the amount necessary for the public health nurses to get parity with the hospital workers.

8:10 p.m.

As I say, on numerous occasions this year in the House, especially since May 3, we have called on the Minister of Health (Mr. Grossman) to intervene. He said: "No. We keep hands off. That is a private matter. We are not going to get into that matter."

In fact, during this late summer the nurses had an offer of 12 per cent retroactive and three per cent, I believe it was, effective July 1, a 15 per cent increase. Even that would not have brought them up to the average of public health nurses; so they turned it down. Then on September 21 government legislation was tabled that said they shall get nine per cent back to February, and when that agreement comes up this February, they are going to get five per cent. So not only has it held them at the lowest level, but also it is increasing the gap between them and the average.

I just want to contrast that with what was done with Consumers' Gas Co., which got an increase last February that amounted to 32 per cent and increased their profit by 35 per cent from \$102 million to \$137 million. When the

members of this party appealed that unreasonable and excessive increase on March 22, we heard nothing until five days before the restraint bill was tabled in this House. When that bill was going to be tabled, the government hurried to dismiss our appeal and confirmed their 32 per cent increase, which will increase their profit by 35 per cent for the year ending in October 1982, so it would not muddy the waters when the restraint bill was introduced.

What a contrast to what they do to the nurses and other public servants. They spring this bill on them when some of them are still in negotiation, when some have even made verbal commitments, and they say: "It doesn't matter what you have negotiated. You are going to get nine per cent for that and for the past period of time and five per cent when that contract comes up for renewal."

Mr. Cooke: No wonder Darcy McKeough is smiling.

Mr. Swart: No wonder Darcy McKeough is smiling. He talks about a 4.4 per cent increase when in reality he is asking for a 20 per cent increase in the amount of revenue he is going to get for the cost of distributing gas. What a horrible injustice this is to the workers and to the public employees. Of course, there is no question that it is a simple case of the government thinking it will get public support for some kind of wage restraint; they will bash the public servants because they think they can get away with it even better there than they can in the private sector.

That is why we have this bill before us, as all of my colleagues have said and as I have said in this House before. It is disgusting. It casts a horrible reflection on our public servants, as though they are less essential to our society than other servants. That is something that we in this party do not subscribe to. We say they are performing a useful service and they should be paid as well as the rest of the people in our society. We oppose it for that kind of unfairness. We oppose this bill because it has singled out 500,000 employees but makes no move to limit the other three or four million employees in the province.

The bill is unfair because even within this public category doctors are exempt. The most highly paid group of all, the group that has got the largest increases for the longest period of time, is exempt. For those who are going to get a

\$12,000 increase, the government makes no move to cut back on that increase; but to those who are getting a \$1,500 increase, if they are above the \$15,000 income and in the \$15,000 to \$25,000 range, where most of them fit, the government says, "We will take anything over the five per cent away from you."

Mr. Stokes: I wonder what the Chairman of Management Board (Mr. McCague) thinks of all this.

Mr. Swart: Yes, it would be interesting to know. I would like to be able to read the minds of some of those people over there.

Mr. Cooke: That's making one major assumption. You cannot read something that doesn't exist.

Hon. Mr. McCague: Come on over and have a chat.

Mr. Cooke: You should be speaking on this bill.

Mr. Swart: It would be interesting to read their minds, but I suspect we fairly accurately read the minds of the people over there. This is a political device. They know very well that it is not really going to do anything to resolve the problem of inflation, let alone the other major economic problems in our economy of unemployment and stagnation. It is not going to do anything for those, but they think it is good policy. This is a vulnerable group. They have to focus public resentment some place; so they focus it on the public servants, and that is the real reason for this legislation.

Mr. Stokes: They have security of tenure so they should suffer.

Mr. Swart: Yes; so they are the ones the government attacks.

Mr. Speaker, at six o'clock when we adjourned I was dealing with the issue of prices. I had not really finished at that time, and perhaps—

Mr. Stokes: More produce?

Mr. Swart: No. No more produce at this time. I want to deal a little bit with theory in the matter of prices. I have given many examples of unjustified price increases, some where the government already has the legislation to do something about them, and others where the government does not have the legislation but ought to have the legislation, whether it pertains to the price of milk or the cost of auto insurance or to a number of monopolies where the government should be appointing a public advocate to protect the consumer interest.

I pointed out the excessive prices that are

being charged for a number of products—I demonstrated those products in this House; I had those products here—because there was inadequate competition to effectively control the prices of those products to the public. This government cannot absolve itself from the responsibility of having adequate competition laws.

While this bill is being debated, the Minister of Consumer and Commercial Relations (Mr. Elgie), who has not been in the House today and who, as I mentioned before, in a nine-minute speech never even mentioned prices, should make a statement that they have reversed their policy and are now going to join with the federal government or perhaps go further and push the federal government into enacting some adequate competition laws in this nation.

The present combines investigation legislation was passed in 1930, and there have been very few amendments since. The inadequacies of these laws were first brought to light when the federal government lost two important cases, one concerning the alleged sugar monopoly in British Columbia and one concerning the Canadian breweries, which controlled 60 per cent of beer sales. They lost those charges because they did not have adequate legislation.

It was not until 1971 that a new bill was introduced by the Liberals to replace the antiquated Combines Investigation Act, and the hue and cry that resulted from big business over the new bill caused the Liberals to promise to make changes in spite of the urgent need of protection for the consumer in the Canadian economy.

The Liberal government decided to approach the situation in two stages. Stage one concerned only consumer-related areas, such as prohibiting resale price maintenance, misleading advertising and labelling regulations. That stage was passed in 1975, and it has had some beneficial effects since that time; but it was not the important one.

Not until 1977 did the government introduce legislation in connection with the effects of big corporate mergers and price-fixing on Canadians. This was considerably watered down from the legislation presented at the beginning of the 1970s. With the constant barrage from big business and corporate lawyers, this new legislation fell by the wayside, not even making it past the first reading in the federal House.

8:20 p.m.

André Ouellet was made Minister of Consumer and Corporate Affairs and, recognizing the need and being pushed by his staff, who

knew the weakness of the existing legislation even more than he did, he moved in to reform in what appeared to be a determined way. He recognized that our anti-combines legislation was totally ineffective compared to that legislation in the United States. The US law considers monopolies as inherently bad for the country. Even kids in the school in the United States learn about the Sherman antitrust laws and the trust-busters as part of the US tradition to keep competition.

Today, Canadians have been given no choice but to believe mergers are a way of life, but in the United States mergers can be annulled if prosecutors prove they tend to create a monopoly. For example, the US antitrust officials were able to threaten action against the US Abitibi operations when it appeared that Consolidated-Bathurst, a Canadian papermaker, was about to take over. Between them, they produce 30 per cent of the Canadian newsprint and could be large enough to control prices in the United States.

At the same time, Canadian officials could do nothing to prevent the merger unless it was proved beyond a shadow of a doubt that the consumer would suffer. Under our laws, there has to be the intent to make the consumer suffer. It does not matter that one can prove a monopoly or that one can prove collusion; one has to prove the intent to make the consumer suffer under existing laws before one can get a conviction in our courts.

The US manufacturers know all too well that tied selling, exclusive dealing and market restriction practices can result in major law suits and enormous awards. In Canada, the opposite is the case; it would be thrown out of court. Here manufacturers may feel free to negotiate exclusive-dealing clauses, forced purchase requirements, territorial restrictions from their dealers and their distributors and they know that they will get away without any convictions, and probably without any charges being laid, because those who lay the charges realize it is so useless.

This is particularly true after the convictions of the three sugar refineries just two years ago, in April 1980, when they were fined \$750,000 for collusion in setting uniform prices on sugar. They appealed to the Supreme Court and, although the judge indicated that there was no question there was collusion in the price-setting, he said it did not meet all the three criteria of the combines legislation and therefore he could not give a conviction and had to absolve them of

their charges. They know in the United States that they cannot get away with it.

I have a newspaper clipping here from the Toronto Sun of August 26, 1982. It says: "AT and T"—and we all know what that is; it is the biggest company in the United States—"will never be the same again." The United Press International article states:

"The process of dismantling of American Telephone and Telegraph Company is under way—a move that will reshape the US communications network and telephone service for every consumer.

"US District Judge Harold Greene Tuesday placed his stamp of approval on the agreement that opens the way for AT and T to spin off its 22 local operating companies within 18 months and for the first time to enter into lucrative new markets such as data processing." They may enter into those lucrative new markets in competition.

"Long distance rates"—and we have some discussion here about telephone rates—"are expected to remain stable or even drop because of the competition from AT and T's new rivals, such as MCI—a long-distance phone lines competitor."

These things happen in the United States. I am no great admirer of the US economic system; in fact, the reverse is true. But at least they say, "If we are going to have private enterprise, there is going to be competition."

Mr. Stokes: Their Tide and their mayonnaise are cheaper too.

Mr. Swart: They sure are. It shows that competition is perhaps the best way to provide the best products at the cheapest price, even though it is no way to plan an economy and to solve unemployment. But we are not concerned about that in this province; and I am coming to that in a few minutes.

Mr. Ouellet in Ottawa got quite concerned about this issue, with his own people and the New Democratic Party pushing him for stronger legislation. He made some pretty strong statements after he became Minister of Consumer and Corporate Affairs.

Talking about the new anti-combines legislation, he stated in an address to the Montreal Chamber of Commerce in March 1981: "Time is short, since we are witnessing a new outbreak in the area of mergers and acquisitions in the country. If this phenomenon should continue for another three or four years at the same pace, the control of the entire Canadian economy could be literally in the hands of six or seven."

That is Mr. Ouellet speaking, a federal Liberal cabinet minister; not a radical Socialist, but a man who has looked objectively at the situation and realized it was necessary to have much stronger anti-combines legislation.

He made many other statements along those lines, which I will not repeat here. I just want to point out that the corporations then stepped in and began to oppose once again what he was going to do. "Combines Amendment Seen as Major Intrusion: The vice-president of the Canadian Chamber of Commerce stated that this is going to be the greatest intrusion into competition we have ever seen in this country."

I have many more such quotes which I could use, but what I want to mention, and perhaps use a quote or two about, is the intervention of the then Provincial Secretary for Justice and Minister of Consumer and Commercial Relations, now the Minister of Industry and Trade (Mr. Walker), into this area. I presume that his friends in the corporate sector got in touch with him.

Beginning on Thursday, September 3, 1981, at the federal-provincial consumer affairs ministers' conference in Quebec City, he began a series of speeches in which he attacked the federal government viciously. He said, "We do not need this improved anti-combines legislation."

Some of the remarks are almost unbelievable and were contained in a 14-page statement he delivered. This is the kind of comment he made about the proposed anti-combines legislation:

"This policy will break the back and the spirit of Canadian business. We do not see a compelling need for substantial change in current combines legislation, nor do we consider a new competition policy to be a priority at this time. We"—the Ontario government—"fail to understand how numerical computation of market share can conclude that a company is acting or is likely to act against the public interests even if they have only 50 per cent of the market share. We cannot see how that is acting against the public interest" and so on.

He even stated in his speech that industry knows more about what the consumers want than does government and that government should keep its hands off this matter entirely. I do not want to take the time to do it, but I really should read all of his statement into the record to show the side that the then Minister of Consumer and Commercial Relations, speaking for the government of Ontario, took with regard to protection for the consumers, because that is

what competition law is all about: protection for the consumers.

He came out solidly and became the most vigorous spokesman in Canada in opposition to the toughening of the anti-combines legislation and in echoing the words of the corporations in this country.

8:30 p.m.

Mr. Stokes: Is that Gordon Walker?

Mr. Swart: That is who it is.

Mr. Stokes: What is he doing now?

Mr. Swart: He is now the Minister of Industry and Trade, if I remember correctly. They have moved him in with his friends.

Mr. Bradley: Did you check your donation list?

Mr. Swart: No, I do not need to check the donation list. One looks at the donation list to the Conservatives and they are all the same. They are from the corporations.

I would have liked to have taken time to read that whole thing into the record but I am not going to. My other colleagues in this party have given excellent speeches and have touched on the issue of competition. I am not sure there is any more important issue on consumer prices but I will let it go at that for the time being.

What I want to do is come back briefly to the speech of the Minister of Consumer and Commercial Relations (Mr. Elgie), the man charged with responsibility for protecting the consumers, the man charged with administering the price section of this legislation we have before us.

Mr. Stokes: You might say he is the Conservatives' Walter Gordon.

Mr. Swart: No, I sure would not say he is the Conservatives' Walter Gordon.

Mr. Stokes: Donald Gordon.

Mr. Swart: Perhaps Donald Gordon; Walter Gordon has been one of the leading spokesmen in attacking high interest rates and advocating measures which really deal with some of the problems we face in our economy.

I want to mention the thrust of the minister's nine-minute speech in this Legislature. It had nothing to do with consumer prices; he ignored that totally. There was not one word about it.

He said, "I do not profess to be the world's authority on public policy measures one can look at, but as I see it there are three public policy measures one can look towards to deal with the problem of inflation and two of those

have been in the forefront in this country for the past several years."

I should have stated that before that he makes this very significant statement: "As I see it, the key issue facing governments in this country is inflation. From it flow high interest rates; from it flow mortgage failures; from it flow bankruptcies; from it flows currency instability."

He states the problem facing us and the sole and only reason for the bill we have is to deal with inflation. We in this party fundamentally disagree with that.

Then he goes on to say when he talks about these measures: "The first is a restrictive monetary policy, which we have seen, with the limitation on flow of money with high interest rates. The second is a restrictive fiscal policy with government restraints and higher taxation to reduce the public's ability to purchase products."

"I think it would be no surprise to any of the members, and certainly it is not to me, that although the application of these principles has been varied from province to province and different parts of the country, I see no evidence that as a macroeconomic tool it is doing the job." He admits the high interest rates are not doing the job. He admits the restraint program, the fiscal policy of the Ontario government is not doing the job.

Then he says these significant words, "Therefore, as people who have to try and solve these public policy issues, we must look to the only third alternative we have and that is an incomes policy, a policy which endeavours through an incomes and prices control program to limit the upward income demands of people"—replace that word with workers—"and the upward prices we are paying for products." We can eliminate that last section because it does not have any meaning.

Here he says high interest rates did not solve the problem. Restraint did not solve the problem. We all know, he knows and everybody else knows, it is far worse now than it was before. Why would he not reverse those policies? Why would he not lower the interest rates? Why would he not abandon the restraint policy?

Instead of that, he goes to another measure which he knows is going to be totally ineffective and he says that is the reason the bill is here today, to address the issue of inflation and the things that flow from it.

When interest rates went up four or five years ago things were not too bad. If they had lowered them at that time the likelihood is we would never have been in the serious economic mess

we are in today. In the same way, five or seven years ago, we did not have these restraint programs. If they had been implemented, once again, I bet we would not be in the difficult situation we are in today.

He said, in effect, that all economic problems are traced to inflation. Inflation is harmful. We agree that inflation can be harmful, but the minister has his philosophical blinkers on as to what is causing inflation. He only sees the chicken; he does not even see the egg in this whole equation.

If they really want to deal with economic problems, if they really want to deal with inflation, they should lower the interest rates. They should have been lowered long ago; they should be brought down now. It is not high wages that have caused the foreclosures on so many farms; it is not high wages that have caused the foreclosures on mortgages of home owners; it is not high wages that have caused the small business failures; it is not high wages that caused Massey-Ferguson to nearly go under; it is not high wages that have caused the people not to buy automobiles or not to buy homes; it is high interest rates.

Any government that wants to be serious about dealing with inflation problems and the economy would have lowered interest rates. That is what the federal Liberals should have done two, three, four years ago, and that is what the Conservatives over here should have been pushing to do instead of pushing for wage restraint.

The second greatest cause of inflation is our stagnant economy. This, I suggest, is really what we have to address. We have to address it through growth and development, through economic planning. This year we are going to be paying out \$8 billion on unemployment insurance to people who would sooner be working. We are going to pay out an almost equal amount on welfare to people who would sooner be working.

When we look at the lost productivity, because our economy is running at only 68 per cent of capacity, when we compound all these things and put them into the end price, as they must go into the end price, that is the greatest cause of inflation second to interest rates.

If we want to produce goods and services cheaply, we must run at 100 or 95 per cent of capacity, not 65. That is what we should be addressing. After the interest rates, we should be addressing the issue of full employment. Instead of that, we have governments both here

and in Ottawa that have addressed these problems in the only way they can without offending their corporate friends, and that is by taking a crack at the public service.

This bill is a measure that separates us more clearly from the Liberals and Tories than any government bill that has been brought before this House in my seven years here. Liberals and Tories believe major economic decisions should be left to the private sector companies, based on what is good for them on their profit ledger. We believe major economic decisions must be based on what is good for Canada, what is good for employment and what is good for maximum provision of goods and services.

There is some significance in the fact that the United States and Canada are the two countries in the world that now adhere most closely to that private enterprise, doctrinaire system that says the major economic decisions shall be made in the private sector. That is one reason they have dropped from first and second place in the average income of their citizens in the world down to 12th and 15th places in the world.

They have been passed by West Germany and by all those countries that have had social democratic governments and where economic planning still prevails. This is what we need here in our economy: a total change, a dramatic change in our system so that the government intervenes and makes those decisions on the basis of what is good for our economy, what is good for employment and what is good for maximum production.

8:40 p.m.

So I, along with all of my colleagues in this party, am using my time in an attempt to show what a total façade this bill is. It is worse than nothing at all, because it is intended to create friction among classes of workers and between the unemployed and the workers.

The government may think it made a smart political move, but I suggest that one or two or three months down the road, when the public realizes that there is no intent to control prices, that there is going to be no solution in this to the major problems that face our economy, the government is going to find that it is not going to win popular support and that the people of this province and of this nation are going to be turning to an alternative form of operation that is offered by the New Democratic Party.

The Deputy Speaker: Before the member for Ottawa East begins, I would like to remind all people in the public galleries, as I am sure they

realize, that no one is to participate in any way whatsoever in the debate taking place on the floor of the House except honourable members.

At one point there was a great outburst of laughter. I think I am very discreet. We will not consider that an outburst in a public debate. But hand clapping, quite frankly, is not allowed, and, shall we say, three strikes and you are out.

Mr. Roy: Mr. Speaker, after waiting this long to get the floor and have an opportunity to speak here this evening I would appreciate some response from anywhere, whether it comes out of the gallery or not. I do not want to be unduly harsh towards my colleagues who have participated in this debate, but there are times when the action in this place, to say the least, has been a lot more exciting.

Mr. Speaker, I must make a confession to you at the beginning of all this. There are other apparently exciting things going on this evening, like the election in New Brunswick, and there are by-elections and there is the World Series.

Mr. Stokes: Who won in New Brunswick?

Mr. Roy: I do not know who won where. All I know is that there are not very many good nights or good days for Liberals these days, those of us who have conviction—should I say “conviction”?

Hon. F. S. Miller: Come over to our side.

Mr. Roy: Oh no, Frank, we will not be moving. But those of us who have dedication and conviction, as before in greater and better days.

I am told by my colleagues across the way, who hasten to rush across this expanse between us here, that in New Brunswick the present administration has made substantial gains and the Liberals again have not managed to—

Mr. Bradley: Is that the Premier who is the friend of the Prime Minister?

Mr. Roy: That is right. That is the man who consistently supported the Prime Minister of the country, and somehow the people in New Brunswick reward him by punishing the Liberals. We have had, as members know, the same problem here. My colleagues in the NDP will recall that during the years 1977 to 1981 all of us worked hard together. We co-operated. We made minority government work, and the people of the province were so pleased and so grateful that they gave these beggars across the way a majority.

That is the frustration of the process, Mr. Speaker. I am sure you have experienced it. I have experienced it even as I have sat here for the last few weeks trying to get on, listening to

my colleagues to my left not abusing the rules of the House but going on. I kept getting weather reports from them. I said, "How long are you going to be?" They would say, "Oh, I may be two hours, I may be three hours." On and on they went. I have an apology this evening to the member for Welland-Thorold (Mr. Swart)—

Mr. Stokes: Are you for or against the bill?

Mr. Roy: Mr. Speaker, can you bring your predecessor to heel? Can you have some measure of control over the former Speaker? I should love to answer him, I should love to banter back and forth with him; but I was advised, in my early days, when he was in the chair, that I must address the chair, that I cannot debate back and forth. So obviously I shall not be able to respond.

My position, or the position of this party, has been clear. It will be on the record; and I shall do it again. Apparently there has been an agreement between the House leaders here, and those of us who had been preparing speeches on this bill all summer long will have to curtail some of our exuberance. So for a variety of reasons I do not intend to be unduly lengthy in these remarks.

Mr. Stokes: All the Tories will vote for this bill.

Mr. Roy: I say to my colleague for Lake Nipigon that I have no apologies to make. We have said, and we repeat, that in principle we are in favour of this bill, but we have said and we think we have a position that is extremely defensible. In fact, we would challenge the government and the members to go to the people on the position we have taken.

We say there are major flaws in the bill and we are going to try to correct some of these flaws. There is little doubt that, in principle, some kind of a restraint was necessary. My colleague the Leader of the Opposition (Mr. Peterson) has set out on what basis, under what principles, we would have brought in a measure of control.

There is no doubt that we are facing a very serious economic situation. I do not have to repeat the ravages that have been caused by inflation, by the interest rates, and now we are facing serious unemployment. We have these plant closures, we have bankruptcies across the province. It is somewhat ironic, in a sense, it makes one somewhat cynical when one thinks back on the electoral process of 1981. Our leader at that time, Mr. Smith, was going round and saying to the people of Ontario that we were facing serious economic problems. For that he

was rewarded with—well, we are back in opposition here. Then he was rewarded, as well—

Mr. Stokes: He was dumped by his own party.

Mr. Roy: He was not dumped by his own party. We do not do that. The member is getting the leaders mixed up. The member for Ottawa Centre (Mr. Cassidy) could hardly get back in the door to the member's caucus after the election. He should not get the leaders confused. One was called Stuart. Does the member recall he made the best speech ever heard in this House? Remember that?

Mr. Stokes: I agreed with him personally.

Mr. Roy: But at the time, members will recall that Stuart Smith was going around the province saying there were fundamental problems with the economy, that basic restructuring of the economy was required. At that time the Premier kept ridiculing him and calling him "Dr. Negative."

Unfortunately—and I am sure Stuart Smith is as sad as anyone—many of these predictions have come true and we are now facing serious basic problems with the Ontario economy.

As serious as the problems were, it was nevertheless an opportunity for both the federal and the provincial governments to try to rally the country, and I think the country was prepared to follow serious leadership. I had a perception, and I think many colleagues here had a perception, that had the people of Canada been given the right leadership, had they been given the proper incentives, had they been given the type of leadership we are talking about, not only of telling people what to do but in fact doing it themselves right from the top down, from the federal and provincial governments, I think we could have arrived at a consensus where measures such as Bill 179 would have been far more palatable to most Canadians.

8:50 p.m.

We have not gotten that leadership, and I am critical of my colleagues at the federal level as well. I really felt that the first federal budget brought down by MacEachen—when was it, last fall?—was not at all the type of budget that was required for the times. We were facing tough economic situations at that point, and here the federal government brings in a budget that had all sorts of restrictions: discouraging investment, discouraging private enterprise, imposing taxation on individuals and encouraging individuals to save their money rather than invest it.

In other words, it reminded me somewhat of the situation centuries ago when doctors used to impose a treatment on patients, and they used to

say that if the sickness did not get you the treatment would. They used to bleed patients, people who were sick at the time, half dying. They thought the cure was to bleed them.

In some ways the first federal budget was a disaster, and I suppose the best evidence of this was that four or five months later a second budget was brought down with what is now called the six and five program. The problem with that approach, and I regret having to say it, is that again the program in itself could have been sold and would have had much more support from the people of Canada had there been proper leadership.

In my opinion, and I say this with regret, much of what was proposed in the second MacEachen budget lacked a certain amount of credibility. A few months earlier one budget had been proposed; only six months later a budget radically different was proposed, which had solutions that were completely contrary to those of the first budget. Yet it was the same minister who was proposing it. I think a lot of people had problems in accepting different signals from the same messenger.

I think another problem was that the federal people lacked a certain amount of credibility in the sense that they had improved their financial position just a short time before they proposed their budget. They had increased their remuneration by close to 50 per cent over the last 18 months before bringing forward the budget. It is awfully tough for people at the bottom end of the scale to accept the fact that people leading them would seem to take advantage of a situation so early before they impose a series of sacrifices on them, very often imposing sacrifices on people who are much less in a position to be able to sacrifice than the leaders of the country. So because of this problem and because the federal program was so restricted, I think it lacked credibility.

I say this again with regret, I am not here as an apologist for the unions or for organized groups, but I think it was possible to bring forward a program without necessarily antagonizing and attacking a specific group. For these reasons the federal program, because of the people who proposed it, because of their actions before their programs, because of the fact that they then changed Finance ministers, in my opinion lacks credibility, and in that sense it will possibly not be as effective as it could have been.

I was reading just the other day a statement on October 8, 1982, by two of the leading economists in the country, Doug Peters, the

chief economist and senior vice-president of Toronto Dominion Bank, and Tom Maxwell, the vice-president of the Conference Board of Canada. I quote:

"The federal government's six and five wage restraint program has been branded ineffectual and a waste of time by two of the country's top economists. The restraint program on which much of Canada's economic recovery hopes are pinned is just too little, too late, they said. The bankers told the conference that what the country really needed is a blanket 12-month wage freeze on all Canadians."

In a sense, it is much of what this party has been talking about. If restraint controls are going to be imposed on people, they must be imposed on everyone.

Mr. Mackenzie: For three years, like your leader says.

Mr. Roy: We did not talk about three years.

Mr. Speaker: Never mind the interjections, please.

Mr. Roy: As I listen to my friends to my left making cynical comments, and I try not to spend too much time looking at them, I am reminded that there appears to be some effort to have an Alamo-type of approach, "We are going to fight it out here in the House."

Meanwhile, their leader who is in a by-election is downplaying it. That is the part I find somewhat hypocritical about their approach. Here they are in the House, going on ad infinitum about how objectionable this bill is, yet their leader is out there in a by-election downplaying his opposition to it. How would one categorize that? I notice even their supporters up there are getting somewhat annoyed about the truth here.

Mr. Speaker: Order. Bill 179, please.

Mr. Roy: I ask my colleagues to the left to show some credibility of their own. Then maybe people out there will start listening to them.

It seems to me that if a program were to encourage the support of all Canadians it would require on the part of the federal government the start of some form of rollback for the people at the top. The people who obtained an increase of 50 per cent or close to 50 per cent over the last 18 months should have shown some form of leadership and accepted some form of rollback to get some credibility.

In my opinion the increases should have been staged much as we had proposed, so there would be no increase at all for certain people and other people at a higher level would have

had a lower percentage increase than people at the bottom end of the scale. Finally, it seems to us the federal government had an ideal opportunity, as these economists have said, to impose the freeze right across the board. It was unfair to impose it on only the public sector.

It seems to us that if we are to convince Canadians that a program has a certain amount of equity, what is required is that there be some type of control over prices as well. Unfortunately, these were the deficiencies in the federal program. There is a perception out there, unfortunately, that the actions of the federal government had more to do with politics than with the economy.

It is unfortunate some of the actions taken by the federal government, and I just mention one, the bail-out of a company such as Maislin, undermine the credibility of such a program.

I do not have to continue repeating some of the deficiencies of the federal program but, having said that, it seems to us the action this government has taken over the period of the summer resulting in this Bill 179 requires and is deficient of credibility.

9 p.m.

The approach of the Premier (Mr. Davis) during the early part of the summer was reflective of Hamlet, "To be or not to be." He really did not know which way to go. It was obvious they were polling all summer long; this government, this party, was trying to determine whether there was any widespread support for controls. After the polls came in, indicating there was widespread public support for controls, and after seeing that the federal polls indicated widespread support for controls, then the machine got going. One has to read with interest a story that appeared in the *Toronto Star* of Saturday, September 25, wherein the Treasurer (Mr. F. S. Miller) stated that Bill 179 went through something like 15 different drafts.

Having decided that politically it was palatable, that the public was with them, they got the civil service going. All summer long, or at least during the latter part of the summer, they were trying to make up their minds whether it was going to be six and five, or five and nine, or four and two, or whatever it is.

What was most cynical about the process was what the Premier had said earlier on. We are going back to July 6, 1982, and this matter has been mentioned in the House on a number of occasions. It is awfully tough for a leader who is bringing about a program as radical as this one to have any credibility when just a few months

earlier he was saying that singling out the Ontario civil service for wage controls would be unfair. That is what he said.

It would be unfair, Premier Davis said in the Legislature, but he would not guarantee he would not do it. That is a bit of a contradiction right there. Talk about playing all your cards. He went on to say the economic situation had deteriorated since he made that remark. He said this on July 6.

If we go back to January, Premier Davis said he categorically ruled out wage controls for Ontario public employees. That is what he said in January. Then we have this quote. "Wage controls in the public sector would be unfair because you cannot isolate one sector of society in the fight against inflation," Davis said after meeting with labour leaders yesterday." He said this at the meeting with labour leaders in January. Then we see him come around. In July he still said it was unfair, but things were changing; yet we wasted all summer.

This party, under the leadership of the member for London Centre (Mr. Peterson), has proposed a comprehensive program. We asked the government to bring it forward prior to the recess in July, but we did not see it. Finally, it was brought forward in September. The cynical part about the process is that we wasted all summer and then we were brought back three weeks early just to make it appear as though we were doing something.

I think this approach to such an important program as this one undermines the credibility of the process in that we have a government that seems to put more premium on polls, on public support, than on attacking the real problems to correct an economic situation.

The Premier talked about perception. I think he was cynical in his statement when he said those of us who were so critical when he was going to buy the jet were unfair, but that there was a public perception that the jet was not something that could be sold at this time. That is exactly what he did with this particular program. On the one hand, he said, "The perception and your cynical opposition gave us a bad time on this jet and we had to sell it," yet the government pulled the same stunt on these controls. It polled and it waited until it felt that the polls were with it; then it proceeded with the program, a limited program which undermines by attacking a specific sector of the community. That was not necessary. There were other things they could have done.

I hope that when this bill goes to committee

we will have an opportunity of proposing some amendments. My colleague the Leader of the Opposition proposed a comprehensive program in July before the House recessed, and now he has outlined what he feels the flaws are in the present program.

Just to emphasize where the weaknesses are in some of these programs, we stated earlier, and we now repeat, that to impose a five per cent restriction on everyone is unfair. Five per cent to a person at the top end of the scale means a lot more money than it does to somebody at the bottom end. I appreciate that in Bill 179 there is a process where people making something under \$15,000 will be entitled to an increase of up to \$1,000. My colleagues and I will attempt to make some amendment to this. We feel that the freeze should have been staged, that there should have been a freeze at the top, with the largest percentage of increase being granted to those at the bottom end of the scale and somewhat less to those in the middle of the scale.

One has only to read the bill to understand that the emphasis is on restriction of wages. There is not much restriction provided on prices. I do not intend to repeat what my leader had to say on the subject, but that is a basic weakness in the bill.

Mr. Stokes: That is in the federal program too.

Mr. Roy: I have been critical of the federal program to the extent that there is not sufficient control on prices. I want to say to your predecessor, Mr. Speaker, that I agree with him on that. The program should not apply only to the public sector but also to the private sector and to prices as well. That is our position and it is on the record.

I see, for instance, that the Treasurer and the Premier have taken the position that any imposition of prices should be done at the federal level. I can understand that. I think it would be far more practical to have a freeze, or at least control, at the national level than on a selective provincial level, but it appears that we will not get one from the federal level. Therefore, it is incumbent on this administration to see to it that there is a measure of equity in the program.

To do that requires that the lead be taken with institutions and corporations which are under the control of the province. Every day in the Legislature, through the question period, we see how this government and the Treasurer of Ontario try to avoid the subject. Instead, they

talk in legalistic and semantic terms about how the bill does not apply to a particular sector.

Why, for instance, would the bill not apply to the highest wage earners in Ontario, the doctors of this province? There can be no justification for that. How can we in fairness, as politicians, and how can the government expect to have any credibility if the people who are making \$100,000 a year or thereabouts will not accept some measure of control?

We are asking the people at the bottom end of the scale to limit their increases to five per cent. I cannot see how a program like this can be expected to have widespread support in a community. Even people who are not affected in any way will understand that when we talk about the recovery of the economy of a province or of the country, the effort requires sacrifices by everyone, including people at the top end of the scale. I am sad to see that the government has not given more leadership in that field.

9:10 p.m.

We hope in committee to have the opportunity of amending this legislation. The other flaw in the process is that this government, which is prepared to impose some measure of control on the civil service of Ontario, is not prepared to curtail its own activities. For instance, as my colleagues have pointed out, in the field of advertising we see no evidence, although there has been some comment in the House, that the Conservative government, which uses public funds very often to perpetuate itself, is in any way curtailing or showing some measure of control or some rollback in the area of advertising.

Neither do we see any evidence that the government will in any way curtail its appetite for taxing the people of Ontario. The famous ad valorem tax over the last while will amount to an increase of something like 40 per cent. The government is asking the civil service of Ontario to take a freeze of five per cent while it is grabbing out of the pockets of the people of this province huge amounts of money through an ad valorem tax they do not even know about. In other words, the process is automatic. It is done by regulations and it is not even brought forward to this assembly. With that type of example, how do they expect people to have any belief in their programs?

I hear from people in my riding that Ontario public servants are to be limited to five per cent, yet their rents will increase 17 or 20 per cent or whatever. Surely all of us have had complaints about this. I am sure even my colleague from St.

Catharines (Mr. Bradley) has had complaints about how public servants are being restricted. Yet where the government has some jurisdiction in the area of rent it is not being imposed. Just the other day, on Thursday, October 7, the Toronto Star had an article indicating that 84 per cent of tenants and home owners want controls to continue. Even from a political point of view, if the Tories have seen this, they should realize it is good politics to continue some measure of control.

What is difficult for people to accept is a situation such as we saw just last week with the employees of the Toronto Star, who are apparently not going to be covered by this legislation. The people there have turned down an offer of 13 per cent. How can we convince people that the process here is fair if we limit them to five, and yet other people who are organized, like the workers at the Star, are refusing offers of 13 per cent?

This summer right across Ontario there were difficult situations involving the construction industry. Many of the trades in the construction industry had increases—

Mr. Stokes: What about Hydro and Consumers' Gas?

Mr. Roy: We can go on with example after example. In the construction industry, I am aware the plumbers around Ottawa were turning down increases of over 15 per cent. Yet we are asking citizens of Ontario, the public sector, to accept restraint—and we are not just asking the people who have safe jobs at the top end making \$50,000 a year—and to make that sort of sacrifice. I find that, in some sense, extremely sad because I think a collective effort on the part of Canadians would have been possible had there been wholesale leadership and programs with a measure of equity proposed by the federal government and the province.

We just heard today that the province, which is supposed to be limiting its expenditure, has apparently agreed to the McMichael gallery renovations which have risen from \$4.7 million to \$9 million. The government of this province is going to tell people who are going to be cut off unemployment insurance and going on welfare this winter there are no extra funds; yet they waste money at this rate—not that I am saying it is not a good project, but it is the kind of example which undermines the credibility of this process.

Mr. Stokes: What does the Management Board of Cabinet think of it?

Mr. Roy: Yes. Where are the people who are supposed to defend the public? Where are the people who were going to be tough, representing the public and making sure that they get full value out of every—I was going to say penny, but what is a penny to those people? I mean, what is a million in this process? They have only doubled the budget here.

Unfortunately, all of these funds are being wasted. There is no job creation involved in the process. There is job creation for certain individuals. They have jobs for people like the Morley Rosenbergs of this world. That reminds me that the Morley Rosenberg situation is far too delicious to abandon when we are talking about Bill 179 and job creation because that is one sector that should be looked at.

I am reminded of a play that was playing at the Royal Alexandra Theatre—I do not know if it is still there—called *Mass Appeal*. The play is about a young seminarian who is trying to get into the priesthood. He is getting advice from an older priest who is telling him how to go about getting in the priesthood and what he should say to the rector of the seminary if he wants to get in.

The young seminarian says to the priest: "I am going to tell them the truth. I am going to tell them about my activities when I was younger and I am going to tell them that I have really made out with guys and girls." The priest said: "No, don't say that. Do not go into those details. Don't tell the rector about those things. You don't have to tell a lie, but just don't talk about it."

Anyway, the young seminarian feels very idealistic and he says, "No, no, I am not going to lie." Finally the older priest gets exasperated and he says, "Look, if you do not care about becoming a priest, go ahead and tell the truth, but if you want to be a priest, you lie."

That reminds me of the process that must have taken place with Morley Rosenberg after his letter was published and he had been appointed to the Ontario Municipal Board. I can just see the situation, with his getting calls from Eddie Goodman or the Premier's office saying, "Morley, do you want to keep the job?" Morley says, "Yes, I want to keep the job." They say, "That letter was very embarrassing." Morley replies, "Well, Mr. Premier, it was sort of what happened and you wouldn't want me to lie." And they say, "Morley, if you want to be a judge, you lie."

I could just see the process. Here we have a situation where an individual said what he said

in that letter, how he had been promised that whole thing—and probably it was all true, every word in that letter. The government knows it, we know it, everybody knows it. But Morley gets up and says publicly: “I did not mean those things. It was an exaggeration. It is not true. It is a lie.”

Mr. Stokes: If he had to do that to get to the OMB, what would he have had to do to get to—

Mr. Speaker: Back to Bill 179.

Mr. Roy: Yes. What would he have to do to be a judge? My God.

Mr. Speaker, all I have to say is, when necessary, the people on that side have a way of finding a job even in very difficult circumstances. If you do not believe me, we will get an impartial judge to decide. We will call Morley and he will tell us how easy it is to get a job.

It seems to us that without the amendments, without corrections and without dealing with some of the matters I have outlined and what my leader, the member for London Centre, has proposed, it is going to be awfully difficult to convince the majority. I think the majority of Ontarians are saying, “Yes, there should be a measure of control.” I think the Premier can get 65 per cent of the people to agree, but I am saying, had he brought forward a program such as we proposed, that would have been right across the board, that would have been staged at various levels, and that would have applied to the private sector, which under the Constitution is his responsibility, as well as to the public sector, and if he had shown some leadership in the area of prices as well as wages, then he would have had 95 per cent of the public of Ontario on his side.

9:20 p.m.

He would have had, out of this very difficult economic situation, a united effort to correct this problem. As I listened to the speeches that have gone on over the last few weeks, one thing struck me, which is interesting when one looks at the process because some of the matters commented on by colleagues certainly had merit. One of the areas that is of great interest to me is the fact that there is a possibility this legislation is offensive to the new Charter of Rights.

As a lawyer who has seriously curtailed his practice to serve the public of Ontario, I want to say there are many laws in Ontario which are offensive to the charter. In fact, I would think in some measure most laws would be offensive to the charter, had it not been for one provision in

section 1 of the charter. I am sure the members would want me to read it. It states: “The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out, subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free democratic society.”

Members can understand that provision was put in there because of such laws as the breathalyser test. Basically, according to English criminal jurisprudence and English legal principles, people should not have to incriminate themselves. That is one of the basic principles of our system of justice. The breathalyser does exactly that. It forces a person to blow in a machine which will give the court the evidence to convict him.

It was acceptable whenever the law was brought in and in the 1950s and 1960s. When our society had to combat a serious problem of drinking drivers we had to resort to such a law. I suppose that is the type of law which would be struck down on the basis of the charter but because of section 1 would be considered something that is reasonable within a democratic society such as ours.

When people look at whether the bill offends provisions of the charter, one of the provisions of the charter which my colleagues say is being offended by Bill 179 is freedom of peaceful assembly and possibly freedom of association. They may well have a point in saying that Bill 179, which curtails the right to strike or at least takes away that right for the period this legislation will be in force and which in some ways takes away their free collective bargaining process, in some measure offends this legislation.

It is going to be interesting to see if the courts perceive that in our 1982 Canadian society such legislation is permissible under the charter. I would hazard a guess about it, given the very difficult economic situation and using the precedent of the first wage and price controls brought in by the federal government in 1976-77 which were challenged in the Supreme Court of Canada. It was found at that time to be constitutional, and the federal government acquired jurisdiction to bring forward such legislation based on peace, order and good government. If that is the way the Supreme Court leans, I would think there would be no difficulty in suggesting that this type of legislation is not offensive to the charter.

One of the things that also struck me in the process of debating the charter is the fact that the organized unions, which have been protest-

ing this legislation, have sometimes been more enthusiastic about protecting the status quo of those with good jobs than with extending their efforts towards those who do not have jobs. I say this to my colleagues to the left.

The other day I was reading *Le Droit*, which I am sure they spend much time perusing. *Le Droit* talked about the resignation in Quebec of the former House leader Charron. I have never been a great fan of his. I recall when he was first elected in the early 1970s. He has been in the House some 12 years now and was among the first group of six who made it to the Quebec National Assembly, but he always impressed me as being far too radical and doctrinaire to have the flexibility necessary to be a member of the government. Obviously he matured somewhat.

Even though one may not particularly like an individual, one must have some sympathy for the streak of bad luck Charron has had the last while for whatever reason, from the shoplifting charge to the impaired driving charge that he was facing. Now, after first resigning as House leader and subsequently resigning his seat, after 12 short years he is a man of 35 who has left politics. The thing that struck me about Charron was the comments he made upon resigning, which I think are worth keeping in mind when one looks how people change their approach to various groups and institutions.

Members will recall that the Parti Québécois received strong support from the labour movement and from the workers of Quebec. That is their constituency. That is where they get their support. Well, I would hazard a guess that if there was an election in Quebec right now, much of that labour movement would abandon the Parti Québécois. As my colleagues have said, it would be just like the union leaders in Ontario abandoning the New Democratic Party.

Le Droit quotes Charron upon his resignation, if I may read it in French and give you a brief translation: "Comme plusieurs ministres et députés du parti dont il a déjà été le leader, le député de Saint-Jacques a déjà exprimé son désenchantement à l'endroit des syndicats, qui consacrent '95 pour cent de leurs énergies à protéger les gens parmi les mieux équipés pour traverser la crise actuelle.'"

He is saying, "Like many people of my party, I am extremely disappointed with the labour leaders, who spend 95 per cent of their effort and energies in protecting those who are the best equipped to protect themselves"—those who have the best positions—"through this present economic situation." He says that his

generation of 35 years of age "*s'est syndiquée jusque par-dessus les oreilles*." He says the young people, many of these labour groups, are overly unionized—"above the ears" is the expression he uses.

It is funny about this group and a guy like Charron saying something like this, because often they were receiving the support of the labour leaders, but they were anticlerical, they were against the church, against the bishops of Quebec.

9:30 p.m.

He goes on to say, "My generation are overly organized." He also says, "I must pay homage in this assembly to the bishops and to the priests, who do a better job of defending the poor and those who do not have any power and those who do not have any vested interests than the labour leaders."

Charron is saying this. We are not talking about a right-wing Fascist. This is a comment from an individual whose support in his own riding has come from the working class. Obviously, the party has received tremendous support from the labour leaders of Quebec, who in some sense have even more power than labour leaders in other provinces.

So it is well that once in a while the process is brought into focus and that one looks at an individual such as this, who has had a chance to look at the process from the inside and to comment on a situation where he has had support from that group, has seen the process and is frustrated by it.

I think we should caution those who are organized. This is one of the reasons my colleagues and I feel there should be controls right across the board. There are groups in society that are much better organized but are not affected by this program and whose workers will not be affected by the process.

I can understand the way the province and the federal government have said: "Look, the private sector will bring on their own controls; they do not need the controls of everyone else. The economic situation will force them to moderate their demands." That is true in some areas, but it is not true in others.

I have pointed out, for instance, that when you get workers like those at the Toronto Star and in the construction industry this summer, or other groups that are obviously going to make more than 10 or 15 per cent just because they are organized or are in one sector—

Mr. Stokes: What about doctors?

Mr. Roy: And the same with doctors. It is unconscionable. My friend mentions the doctors. I could not agree with him more. There should be some controls on the doctors. I ask my colleagues across the way, how can they go back to their ridings and sell this program when people raise this issue: What about the doctors? How can they tell people at the bottom end of the scale that they have got to limit themselves to five per cent when the doctors, who are making two, three, four and five times more money, will not be limited?

Mr. Cassidy: So why are you voting for it?

Mr. Roy: We are going to try to correct it. We are in favour of the principle of the bill. The member for Ottawa Centre has done this before. He should know that. Many times he has voted for the principle of a bill and tried to amend it. We are in favour of some form of control.

Mr. Cassidy: You can't make a silk purse out of a Tory sow's ear.

Mr. Roy: My friend should not be nasty. A lot of people commented that way about his potential as leader of that party, and we do not want to be nasty.

The Acting Speaker (Mr. Robinson): And now back to Bill 179.

Mr. Roy: My colleagues to the left well know that we are facing serious economic situations and if most of them were to search their own consciences, if most of them were to look more closely at what their federal colleagues have said and what Bob Rae is saying at present in the by-election campaign, they would agree that some measure of control is necessary.

What we are saying is simply this: Yes, controls are necessary. Yes, equity is necessary. We in this party do not have to be ashamed and we do not have to apologize to anyone in this province for the position we have taken on this bill, because we accept the fact that controls are necessary. But we see basic flaws in the bill, and we hope we will have an opportunity of bringing forward amendments. My leader has talked about all the amendments we will bring forward to make this a better piece of legislation. In the process, it is sad that we did not have this opportunity right from the start.

If my colleagues across the way would accept some of these recommendations, we could get far more people in this province to start having confidence again in the process and to understand that if they are going to sacrifice and suffer, this measure of control should be as wide-ranging and as universal as possible so that

it would be an effort on the part of all citizens of this province to control and to bring some measure of revitalization into the economic process and not done just on the backs of a few. This is the concern we have about this legislation.

Mr. McClellan: Mr. Speaker, I am pleased to take my turn in the rotation to speak against this odious piece of legislation. I mean it very sincerely when I say that since I was elected in 1975 there has not been a piece of legislation before this House that we find as repugnant and as inimical to a number of things that we thought were basic decencies, basic parts of our society that were accepted as civilized behaviour. Yet this bill comes in and tears up a number of principles that we thought were unassailable.

During the course of the debate, a number of my colleagues have tried to speak to different aspects of this bill. My colleague the member for Riverdale (Mr. Renwick) spoke at great length about the assault that this bill makes on very basic principles of administrative law that we had thought had become entrenched in Ontario since the McRuer report of the early 1970s.

Much of the legislative work of this assembly since the McRuer report has been to incorporate Chief Justice McRuer's principles with respect to administrative law in each of the many statutes that govern the people of this province. Yet in 1982, after close to a decade of legislative reforms incorporating the principles of the McRuer report, we can still have a piece of legislation before us that contains wording such as we find in subsection 3(4), which says:

"The [Inflation Review] Board may, in its discretion where it considers it desirable to do so, hold a hearing. . ." But "the board is not required to give reasons for any final order, decision or determination. . ." And "the board is not required to hold any hearing before making any order, decision or determination. . ."

We simply ask, is this Ontario? Is this our Ontario, where one man is being given these kinds of dictatorial powers to make decisions that affect 500,000 workers and is not even required to hold a hearing or to give reasons for his decision? It is a travesty.

Even the Anti-Inflation Board of odious memory required that there be a hearing after a collective bargaining process had resulted in a settlement. There was a process of hearing, review and appeal. This legislation makes the Anti-Inflation Board process look like some kind of model of democratic procedure. This is simply unacceptable. It is simply dictatorial in

its concept, and I cannot understand how my colleagues in the Liberal Party remain blind to that reality.

9:40 p.m.

Other colleagues, the member for Windsor-Riverside (Mr. Cooke) and our deputy leader, the member for Port Arthur (Mr. Foulds), have spoken to the issue of job creation and the fact that the contents of this bill will not create a single job in this province.

It is one of the wonders of supply-side economics, which this bill simply recapitulates, that instead of squeezing inflation out of the economy, a monetarist policy has squeezed growth out of the economy. If it keeps on long enough, supply-side economics and monetarism will squeeze inflation out of the economy, but not until, as our illustrious Prime Minister has said, it has wrestled the economy to the ground.

He has already done that. He said he was going to wrestle inflation to the ground, and then it turned out that he had wrestled the economy to the ground; and now that the economy is lying there prone and lifeless, with not a sign of health in virtually any sector, Mr. Trudeau is probably going to have his words come true. Inflation will be next.

It is true that inflation will be squeezed out of the economy, but at what cost? Who is going to put Humpty Dumpty together again after so many years of this crazed monetarist experiment? It has devastated the British economy, it has devastated the American economy, it has devastated our economy, and the spokespeople for the government simply keep saying that this kind of policy must be continued.

The Liberals speak for hours on the problems of the economy without ever mentioning interest rates. They have occupied hours of the time of the House. This has been a virtual filibuster by the Liberal Party. Never once have they addressed the question of interest rates. Instead, they feel that punishing public sector workers is somehow going to solve all of the problems that have been created by monetarism.

I listened very carefully to my friend the member for Huron-Middlesex (Mr. Riddell) recently give his strange economic interpretation of what has happened to us, justifying high interest rates. Yet we have all listened to him very carefully over the course of the past 18 months as he has pleaded very eloquently and very ably for the farm community, which has been absolutely devastated by this same high interest rate policy.

It is very strange. It is an application of Bonzo

economics. The President of the United States, that strange, ageing movie star whose greatest role was in *Bedtime for Bonzo*, who has now —

Mr. Riddell: You know the old saying: "Ignorance is bliss."

Mr. Laughren: Bonzo Riddell.

Mr. Breaugh: Is that why you're so happy, Jack? Is that why you are sitting there smiling?

The Acting Speaker: Order.

Mr. McClellan: Now we have Bonzo in charge of the economic destiny of the western industrial world. It is unreal: It is some kind of Kafkaesque joke. It is hard to believe that this is really happening, that Bonzo is setting interest rates at such incredibly obscene levels. In former times, when I was growing up, these people would have been charged under the Bank Act. They would have been convicted of what would have amounted to usury. Now my Chargex card interest rate is 28 per cent, I believe.

I have a Massey-Ferguson factory in my riding. It is some kind of mystery why Massey-Ferguson workers have been out of work for most of the past 18 months. Is it some mystery having to do with the high level of public sector wages? What nonsense.

The Inglis plant happens to be in my riding, and for most of the past 18 months Inglis has been on a three-day work week. Perhaps when he winds up the debate, the Treasurer (Mr. F. S. Miller) can tell me how it is that taking money out of the pockets of a public sector worker is going to put the Inglis workers back to work five or six days a week.

How is taking \$1,000 from a public servant, from a hospital worker or from a clerk here at Queen's Park, going to help a family buy a washing machine, a refrigerator or a dishwasher and put the workers at Inglis back to work? Will somebody explain that to me? I am too stupid to understand that. I concede I am too dumb to know how taking \$1,000 out of somebody's pocket is going to permit that same person to purchase an appliance, a car, a tractor or furniture and put our people back to work. Will somebody explain that to me?

Mr. McKessock: Bring the price of a tractor down.

Mr. McClellan: The member says, "Bring the price of a tractor down," and he is right on. Do the members know how to do that? By lowering interest rates; that is how to bring the price of a tractor down so the farmer can afford to buy it.

How can he buy it when interest rates are 18 or 19 per cent?

Mr. McKessock: And wages.

Mr. McClellan: If we bring the farmer's wages down, I do not think he is going to be able to buy a tractor. Does the member think so?

Mr. McKessock: No wonder you don't understand.

Interjections.

The Acting Speaker: Order.

Mr. McClellan: Maybe he wants to bring down the wages of the Massey-Ferguson workers. The Massey-Ferguson workers have been on unemployment insurance for the past 18 months. How much lower does my friend want their wages to fall? Welfare? That is the next step.

It is ridiculous. It is the politics of victimization: beggar this person and somehow the neighbour will become wealthy. I do not understand that kind of economics. I do not understand how if one beggars the farmer the worker will prosper, or if one beggars the worker the farmer will prosper. I am too stupid to understand that.

Mr. McKessock: Eat more beef and the prices will come down and they can buy more tractors.

Mr. McClellan: It is kind of hard to do that on unemployment insurance.

What will solve our economic problems has to do with changing our monetarist policies and getting interest rates down to a rational level, but nobody is talking about that on the Liberal side or on the government side. I just do not understand how what is being proposed is going to help anybody.

Mr. McKessock: Tell us how you beat inflation.

Mr. McClellan: I have some things I want to talk about, and I do not want to take all night. I want to talk about a matter raised by my colleague the member for Nickel Belt (Mr. Laughren). It has to do with the basic integrity and good faith of government.

I had a conversation with my colleague the member for Oxford (Mr. Treleaven) about a month or so ago. We were talking about a gentleman we both knew very well. The member for Oxford told me one thing you could always say about this old gentleman was that one could always trust his word. His word was his bond, and one did not have to sign a paper if one shook hands with this old gentleman, because one could trust him.

Mr. McKessock: He must have been a Liberal.

Mr. McClellan: I think he was a Tory, as a matter of fact.

Mr. Riddell: He wasn't a New Democrat.

Mr. McClellan: I can assure my friend he was not of the New Democratic Party. The member for Oxford knows he had little use for New Democrats, but he did have a lot of use for his good name and his good word. If he gave his word on a deal or a contract, one could trust that. If he signed his name to a contract, one could trust that contract. One did not have to worry about him reneging on a contract.

Among other things, I always thought one could trust the Conservative people of this province and the Conservative representatives in this assembly at least to honour the set of principles that if one gives one's word on something, if one signs a contract, one's word is one's bond and that contract is good.

9:50 p.m.

The most difficult part of this bill to understand is the fact that it simply repudiates contracts that are signed in good faith by employers and employees, in some cases signed by the crown in right of Ontario through the Management Board of this government and its employees. These contracts are abrogated and torn up. I am referring to clause 11(b) of Bill 179. That is the provision that calls for rollbacks of existing contracts.

I do not understand how this government can bring in a restraint program that repudiates existing contracts. I could understand it bringing in a wage control bill. We were not terribly surprised that it brought in some kind of wage controls. But I was very surprised it brought in a bill that repudiated existing agreements. I do not know what the long-term effects of that will be, but I think it is a fundamental assault on some very basic principles and on the rule of law itself in this province when the government acts so arbitrarily to deny legal, binding contracts.

I want to spend a few minutes going through just a few details of some of these contracts so that some of the members of the assembly who may not be fully aware of the extent of the rollback provisions of Bill 179 can really have a clear sense of what my colleague the member for Nickel Belt was talking about when he said the government was attacking the rule of law and was challenging the integrity of the government and its good faith. Let us look at a couple of contracts.

This is an agreement between the regional municipality of York and the Canadian Union

of Public Employees. It covers the employees at the York Manor Home for the Aged. Their contract is in effect until December 31, 1984. On January 1, 1983, which is the second year of the contract, they have an agreement to get a 10.5 per cent increase. That is going to be rolled back to five per cent. So this contract is ripped up by Bill 179.

Here is a collective agreement between the Orangeville Hydro Electric Commission and the CUPE Local 255. This contract runs from April 1, 1982, to March 31, 1984. Article 17 states, "This agreement shall remain in force for a period of 24 months, from April 1, 1982, to March 31, 1984."

It is signed on the back page, page 9, by the representatives of the Orangeville Hydro Electric Commission and by the representatives of CUPE Local 255 and guarantees, as of April 1, 1983, an 11.7 per cent increase to cover the period from April 1983 to March 31, 1984. That 11.7 per cent increase, which has been agreed to, signed in a contract that is legally binding under the terms of the Ontario Labour Relations Act, is rolled back to five per cent and is null and void under the terms of Bill 179.

Here is a contract between the Toronto Hydro-Electric System and CUPE Local 1 for the period of February 1, 1983, to January 31, 1984. Under the terms of the agreement, duly signed by representatives of both organizations, the workers are guaranteed in their legally binding contract an increase of nine per cent plus a cost of living allowance. This is rolled back to five per cent.

Another contract is abrogated under the terms of this bill. I have a contract between the Children's Aid Society of Oxford County and CUPE Local 2193. They were guaranteed in their legally binding contract, duly signed by members of the board of the children's aid society for the employer and by three representatives of Local 2193, an increase of eight per cent as of January 1, 1983, and an additional two per cent as of July 1, 1983.

They are rolled back to five per cent. This is money that is coming out of their pockets. This is money that is legally contracted to these workers and the contracts are just being trampled upon.

I have an agreement between the St. Lawrence Estate and CUPE Local 1919, for the period of March 17, 1983, to March 16, 1984. A nurse's aide in this contract is given a legally binding increase of 12.6 per cent. This is rolled

back to five per cent. This contract is also consigned to the shredder.

I have an agreement between the corporation of the city of Thunder Bay and CUPE Local 87 for the period of January 1, 1983, to December 31, 1983. In the second year of a two-year agreement, they were guaranteed a 10 per cent increase. They are being rolled back to five per cent.

I have an agreement between the corporation of the city of Sault Ste. Marie and CUPE Local 67. They have a contract for February 1, 1983, to January 31, 1984. According to the signatures on the back page, they are guaranteed an increase of 11 per cent. This contract is being ripped up by Bill 179.

The board of education for the city of Windsor and CUPE Local 27 have a contract giving them a cost of living increase, a straight inflationary increase from January 1, 1983, to December 31, 1983, and the board of education for the city of Windsor and its good name are shredded by Bill 179.

I have an agreement between the Peterborough-Victoria-Northumberland and Newcastle Roman Catholic Separate School Board and CUPE Local 1453. The second year of their agreement runs from January 1, 1983, to December 31, 1983. A custodian was guaranteed an increase of 13.6 per cent, or \$1 an hour, and that will be rolled back to five per cent. The signature of the Peterborough separate school board is not worth the paper it is written on.

The corporation of the county of Hastings and CUPE Local 1133 have a two-year agreement expiring December 31, 1983. By the way, this is the Hastings Manor Home for the Aged. The service staff were guaranteed an increase of 15.9 per cent. A nurse's aide, under the terms of this contract, was supposed to get \$17,057 a year. As a result of clause 11(b) of Bill 179, the nurse's aide will receive instead \$15,453. That means that \$1,604 that is legally owed to the nurse's aide will be taken away from her when this contract is ripped up under the terms of Bill 179.

I have a collective agreement between CUPE Local 1565 and the Barton Place Nursing Home. I might add that is located in the riding of the Minister of Health (Mr. Grossman). A registered nursing assistant was guaranteed an increase of 13.6 per cent for the period January 14, 1983, to March 1, 1984. The registered nursing assistant will get a decrease of \$1,482. In other words, \$1,482 of money that is legally owed to a

registered nursing assistant will be taken away from her under the terms of this bill.

10 p.m.

A laundry aide will have the salary that has been legally contracted to him or her reduced from \$14,820 to \$13,221. That is an expropriation in the amount of \$1,599 under the terms of Bill 179.

I do not understand how any government can purport to have a shred of integrity and yet treat legally binding contracts between employers and employees in this kind of cavalier way, not to say illegal way—and that is another matter which was spoken to by my colleague the member for Riverdale.

I have an agreement which is between the Children's Aid Society of the County of Bruce and CUPE Local 2194. A clerk grade 3 will have his or her legally contracted wages rolled back from \$14,179 to \$13,429. That is a wage expropriation of \$750.

A social worker 3 will have his or her wages rolled back from \$26,535 to \$25,351. That is a wage expropriation of \$1,184, despite the fact that this was a legally binding contract.

An agreement between the Kingston Public Library Board and CUPE Local 2201: The library assistant will have his or her wages rolled back from an 11 per cent increase to a five per cent increase, from \$13,565 to \$12,970 for an expropriation of \$595, courtesy of the Treasurer of Ontario and this very honourable government of ours.

A collective agreement between the Stormont, Dundas and Glengarry County Board of Education and CUPE Local 782—

Mr. Harris: Rip it up.

Mr. McClellan: I think I will give the honourable member the figures first so he knows exactly what he is doing.

The wages of a custodian on a contract from January 1983 to December 1983 will be rolled back from \$17,550 to \$16,350, a wage expropriation of \$1,200. A building mechanic will have a wage expropriation of \$1,990 under the terms of this most honourable government's legislation.

A collective agreement between the Ontario Housing Corp., a crown corporation, and the Ontario Housing Corp.'s employees union, Local 767 of CUPE: A clerk-typist earning the magnificent salary of \$15,438 according to her legally binding contract will have that wage reduced to \$14,346, a wage expropriation of \$1,092. This from a crown corporation.

A collective agreement between another crown

corporation, Ontario Hydro and CUPE Local 1000: A cashier, earning \$20,405 under the terms of a legally binding contract due to expire March 31, 1984, will have the wage reduced to \$19,477, a wage expropriation of \$928 courtesy of the government of Ontario, and this Legislature, I may add for the benefit of my Liberal colleagues.

An agreement made between Carleton University and CUPE Local 910: A caretaker's salary is reduced from \$17,472 to \$16,380. There is a magnificent salary, isn't it, Mr. Speaker, \$17,000 for a caretaker and that caretaker will have his wages expropriated in the amount of \$1,092 under the terms of Bill 179.

A collective agreement between the regional municipality of Sudbury and the CUPE Local 6. It is going to do a lot of good for the merchants of Sudbury to have the municipal employees lose the difference between 13 per cent and five per cent when this contract is ripped up as soon as Bill 179 is passed. Agreements 207 and 1662 between the city of Sudbury and CUPE Local 6 were rolled back from 13 per cent to five per cent under the terms of this legislation.

The last two contracts I would draw to the attention of members are with their own employees, or I should say with our own employees. I am pleased the member for Dufferin-Simcoe (Mr. McCague), who is the Chairman of Management Board, is here in his seat. This is a collective agreement between the crown in right of Ontario, represented by the Management Board of Cabinet, and the Ontario Public Service Employees Union. This is the clerical services contract.

I just bet the Chairman of Management Board may even be aware of the terms of this one, "Effective January 1, 1983, a further increase of nine per cent to all classifications in the category," that is to say the clerical services category. This is signed by the crown in right of Ontario represented by the Management Board of Cabinet and the signatures are here on the back. I cannot quite read them. I think they are D. Nagel and J. R. Scott.

I assume those people were acting on the instructions of the minister in charge of the cabinet board. I am not quite sure how these things work. I assume he was operating on the instructions of this cabinet in signing this contract, and Mr. O'Flynn and another person signed for the Ontario Public Service Employees Union. This contract, which guaranteed an increase as I have described, will be rolled back to five per cent.

I am told the average loss for employees in this service category will be \$1,083, a wage expropriation of \$1,083. More than that, the word of the crown in right of Ontario represented by the Management Board of Cabinet, the word of this government with its own employees, under the terms of Bill 179 is not worth the paper this contract was written on.

Here is one final contract, again between the crown in right of Ontario, represented by the Management Board of Cabinet, and the Ontario Public Service Employees Union for the office services category. They have a legally binding contract from January 1983 to December 31, 1983, an 11.12 per cent increase guaranteed them under the signature of the Management Board of Cabinet. The signatures are those of D. Nagel and J. R. Scott.

I assume that is operating on the instructions of the member for Dufferin-Simcoe, the honourable minister. So much for the honour of the minister's signature. According to the terms of this bill, his signature is not worth the paper it is written on, his contracts are not worth the paper they are written on and his good word is not worth putting into a shredder if he allows this bill to go forward as it is written.

I do not see how he can put any nice interpretation on it. He signed a contract in good faith with his employees. He has the power; there is no doubt about it. Those Tories have the power. They have their majority and they can pass any laws they want. They have the compliance of my colleagues in the Liberal Party. But do they have the right to do things like that?

Do they think they have the right to break their word, to tear up contracts, to go back on agreements that were negotiated in good faith? Do they think, because they won a majority in an election, that gives them the right to repudiate their own word with their own employees, to force other employers to repudiate their word with their employees, and to tear up hundreds of contracts signed in good faith under the terms of the labour laws of this province? Do they think they somehow have this power that is above the morality of ordinary people? The Tories are always talking about big government and the intrusion of big government in the lives of individuals, and yet when they are given the power there is nobody more intrusive. There is nobody prepared to use that power more ruthlessly or in a more arbitrary manner than they seem to be.

10:10 p.m.

Quite frankly, I suspect that most members of the Conservative caucus were not given full details of the extent of the bad-faith bargaining and the abrogation of contracts that Bill 179 entails. I suspect even some members of the cabinet were not fully aware of how many contracts were repudiated. I hope I am not wrong. I hope it was not the entire Tory caucus, acting consciously and with full knowledge of the implications of Bill 179, that authorized its executive to proceed with this bill. I do not know whether I am right or wrong, but I do know this bill is wrong and that the principles in this bill are wrong and cannot be supported. Men of good faith cannot support this legislation because it lacks a basic decency.

Leaving aside all the economic arguments, leaving aside whether monetarism works or does not work, or whether wage controls are an effective way of bringing down inflation, leaving all that aside, the basic facts of the matter are that this bill is a fundamental violation of natural justice and a fundamental violation of the good faith and integrity of men who have signed contracts, the poor workers. If my colleagues from the Liberal Party want to remain blind to that and continue to support this legislation, that remains their problem and their dilemma. My colleagues do not want to be associated with this bill in any way, shape or form.

Mr. McKessock: Mr. Speaker, I join in this debate on Bill 179, pleased that something has been started to slow down inflation by this government in this small way of a wage restraint bill for the public service sector. I feel, as others do in our party, that it is unfair that the public sector is singled out. The private sector should also be covered by the six and five or this government's nine and five program. However, nothing gets done if a start is not made. At least, I congratulate the government for finally making a start. We will try to improve the bill by amendments in committee.

The government must take the lead in restraint because it was the government that took the lead in inflation, causing the problem by excessive spending in nonproductive areas, such as advertising and purchases of an executive jet. It appears that Suncor shares can also be listed in that area as being nonproductive since there will be many years of paying interest on the \$650-million investment before we see any return, if we ever do.

Farmers have been forced to sell their productive inventory this year just to keep afloat. If

the government had to run its operation like a private business it would be definitely getting rid of nonproductive inventory and nonproductive programs. I take some hope from its sale of the jet. Even though it will lose a few million on the sale, it is better than being tied to a continuing loss proposal. Times are tough in the real world. Too many are isolated from the real world by having the power to get cost of living and inflation wage increases. That could not go on.

Unfortunately, nobody will voluntarily restrain. The government even needs legislation to control itself, such as we see in Bill 179 before us. The government could have just given a five per cent wage settlement to employees without legislation, but we all know what would have happened then. The unions would have called strikes and the system would have deteriorated further. Therefore, it is necessary to bring in legislation.

Times are tough for the farmers who live in the real world. As a beef farmer in the cow-calf business, I have just calculated that my income for 1983 would be a shade better if I sold half my herd now and paid off some money borrowed at the bank at a high interest rate. These are second-calf, good-producing cows. I had a 100 per cent calf crop this year for the first time in my life. I should not be selling these high-producing cows, but the real world tells me they must go.

There is another problem. Cows with calves by their side brought me \$1,400 apiece in the fall of 1979. This fall, three years later, I will be getting \$900, a drop of \$500 per cow and calf. A five per cent increase, you say, is not enough? This is a 36 per cent decrease in three years, or a 12 per cent decrease each year. You say five per cent is not enough? You have not seen anything yet. You worry about the private sector getting more than you, but the fellow in the private sector may not even have a job.

Farmers losing 12 per cent a year are not buying tractors. Is it any wonder that Massey-Ferguson and International Harvester are in trouble? Farmers losing 12 per cent a year are not buying cars and trucks. Is it any wonder that car sales are down and Chrysler is in trouble?

Many farmers in the last couple of years have lost everything they had. I talk to farmers often and ask them, "How is farming?" Most of them will say, "Oh, not too bad." I will say, "That is if you don't have to buy a tractor," and they will say, "Oh, yes, I sure couldn't buy a new tractor." So it is like a dead-end street. Even if the farm is

paid for and you are surviving, when that tractor wears out you are done because you cannot afford it or it does not make sense to buy a new one.

This is the situation, and not just with the farmer; many small and big businesses are in the same boat. We cannot keep demanding from a system what is not there or eventually we will collapse. Is it not better that each part of society share the burden that is being shouldered by farmers and business today and that each take a little part of the cutback? If we do not, we will collapse, and then we will either not have a job or we will have to take a 12 per cent cut in wages like the farmers rather than the five per cent increase that is laid out in this bill.

I know we often get hung up on which came first, the chicken or the egg. The unions will say, "Give us more money and we will buy more things, which will produce more jobs." I suppose this might work if the worker spent all his money, but savings are higher today than they have ever been.

Rowland Frazee, chairman and chief executive officer of the Royal Bank of Canada, says the bank's customer consumer loans dropped \$100 million last year, while savings increased by \$1.5 billion and an increased number of credit card balances are paid in full each month.

We have to realize that business must come first, whether it is the basic industry of farming for food or whether it is another industry. Without industry there would be no jobs; without farming there would be no food. So farming and industry do come first, no matter what has been figured out about the chicken and the egg.

If we have established that industry comes first, then unions should work very closely with industry to see that every possible avenue and solution are found to see that industry keeps afloat and keeps those jobs. Discussions should be held before bids are made on jobs. If the company feels it could present a successful bid on a job only by holding the line on wages or having a five per cent cut in wages, the union should have the opportunity to give its views on it. It could mean a little less compared with nothing.

This was made quite evident in a recent contract given to the Canadian General Motors diesel firm in St. Catharines over the US firm by the US. It will mean that the Canadian firm will hire 1,500 more people, whereas the US firm will be laying off 1,500 people. This recent contract gain over the US competition is, I hope, a new trend.

Mr. Swart: Did you know that it has been reversed?

Mr. McKessock: No.

Mr. Swart: The majority of that contract is going to the United States now. There was a public announcement.

Mr. McKessock: I hope this contract is a new trend.

Mr. Murray, president of the Quebec section of the Canadian Manufacturers' Association, said recently that Canadian manufacturers had been losing ground rapidly to many of their competitors. It was also mentioned in the same article that Canada's strike record was the second worst among industrialized countries, after Italy. Also, there is a high rate of industrial absenteeism, with low motivation of workers and poor training in essential skills.

10:20 p.m.

In this area of training, essential skills, this government has fallen short. I was contacted by Nordic Furniture of Markdale, which has several apprentices on staff. They, as well as other manufacturers in the furniture business in my riding, which is the heart of Ontario's furniture manufacturing industry, were encouraged to take them on.

When these industries asked where the apprentices would attend school, they were advised by the government not to worry, to take on the apprentices and schooling would be supplied. Two years had gone by and there was no schooling yet. Finally, they came up with a course in Ottawa for Grey county apprentices—250 miles away, when Georgian College is in the riding. Nordic Furniture told me there was no way their apprentices would go to Ottawa.

I called the Ministry of Colleges and Universities and was told there was a holdup because the whole apprenticeship program was being put on computer, but they did agree to try to get a course at Georgian College at Owen Sound and they had been working lately with the manufacturers to maybe have the schooling at the plant. The trouble is that these delays have turned manufacturers and apprentices off and the manufacturers are telling me: "No more apprentices. There's no schooling available. It's too much hassle."

There is another problem in this area. When a small company trains an apprentice, a large company comes along, offers twice the money and he is gone. There should be some regulation to allow those who train an apprentice to be able to keep him for a certain period of time.

Now to draw back a little closer to Bill 179, I see no reason that Ontario health insurance plan premiums should not be subject to the same five per cent increase. Only 20 per cent of the \$6 billion we spend on health care comes from premiums. It is a tax that hurts a lot of those people who are hurting most, such as farmers and small businessmen who have to pay their own premiums and, in many cases, the premiums of their workers. These people are already in trouble and are taking cuts, not increases, and now they are subjected to OHIP increases as of October 1 of 17 per cent. We should be consistent. As I mentioned earlier, we all should share the realities of the real world and that means government as well as the public.

It was a nice tour we had to the new museum last Tuesday night, but restraint has really not hit yet. That little episode, I understand, cost \$2,700. The food and wine were good, but it was not the real world. We are still protecting ourselves from the real world and letting a small number take the brunt of it.

Unless we all restrain, especially government, we will not lick inflation and the depression we have at hand. We will only add to it until it becomes an abscess and breaks and then starts to heal itself. The doctors have a chance also to prevent this economic abscess by agreeing to limit their increase this year to five per cent. This little shot of medicine would be a little different from the usual, because it would help the patients but it would be distasteful to the doctors.

When we talk about government restraint, the Ontario government with its largest deficit ever is not the only one to consider. The federal government is not without fault. They are not living in the real world either. I read that the Honourable Charles Lapointe, Minister of State responsible for tourism in the federal government, made a three-day trip across Canada to present 20 medals to Canadians to mark World Tourism Day. It cost taxpayers \$30,000 in fuel alone for him to travel in his own government plane. I wonder why he did not send them by mail. Probably it was because there is no mail delivery on Saturdays.

The depression has not hit everyone yet. A recent article says, "At \$3,000 a week, they are comfortable." No, it is not talking about the doctors but about the pipeline welders. The details are contained in a government report that makes discouraging reading during a time of salary and price restraint. It paints a picture

of runaway spending and ballooning costs in which Canadian pipeline workers are treated almost like royalty compared to their US counterparts.

Bill 179 will hold public service wage settlements for the next year to five per cent and it is hoped that the private sector will follow suit. It is difficult to argue that this will create jobs, but it will if we are more competitive in our bids for contracts.

I know of a plan that will create jobs. It is very simple, nobody can interfere with it and I believe it could put all our unemployed back to work within a very short time. The plan is to buy Canadian.

In the agricultural sector alone we import approximately \$3.5 billion in food products that we also grow right here in Canada. This is Canadian money flowing into the economies of other countries and losing us about 350,000 jobs in processing, packaging, etc., in addition to the farm jobs lost by not growing the products here.

If instead of orange juice we substituted grape juice, apple juice or tomato juice produced in Canada, it would add another \$1 billion to the economy and create another 100,000 off-farm jobs besides the extra farm jobs created in growing the crops.

We would create 350,000 off-farm jobs if we were to buy Canadian agricultural products instead of importing them, another 100,000 jobs if we were to drink apple juice instead of orange juice, plus the extra on-farm jobs in producing the crops.

Do we want to do our part as individuals? As Canadians, do we want to see Canada grow stronger? Do we as union members, farmers, businessmen, public servants and politicians want a program that costs us nothing and gives us jobs? If so, I have just outlined it: buy Canadian.

As far as I can see, this is our only answer. There is no use in giving farmers grants to produce more food if we eat not what we produce but what we import from someplace else. Watch what you buy; make sure it is a Canadian product.

We could do the same in the manufacturing field. We could all buy Canadian-built cars, vacuum cleaners, machinery, ornaments, clothing, shoes, etc. If everyone would do this, we could turn the depression around very quickly.

It would have a lasting effect and would not break any laws. It would only cost the difference between the price of a Canadian product and the price of a foreign import, but it could save

jobs and even make jobs for the unemployed. Let us face it, after the next election some of the fellows across the way are going to need jobs, because there will not be room on the Ontario Municipal Board for all of them.

Many people are tired of hearing gloom and doom, and so am I. It is really not that bad. Eighty-seven per cent of the work force is still working. Some people are still getting raises in pay. We can go to bed at night and sleep without fear of our house being bombed. We can walk the streets without being shot at. We can fill our stomachs three times a day with choice food that is the cheapest in the world.

Even those on welfare seem to eat pretty well. I noticed the picture in the paper of the member for Scarborough West (Mr. R. F. Johnston) when he was dining with the welfare recipients. He was the skinniest one of the bunch.

We are several hundred per cent better off than most countries in the world. To a farmer, a five per cent increase looks pretty good after coming through the past couple of years.

I talked about the individual having the power to turn the economy around by buying Canadian. As far as prices are concerned, the individual has a lot of power in price-setting. He can try to keep input prices down by efficient, productive work and by keeping wages down. He can also consider the price tag on articles before he buys them. By not paying top price he will contribute to lowering prices.

If the public were willing to pay the top price for cars, would we see so many specials and rebates being offered? Not at all. When we dropped our knack of dickering and dealing about 15 years ago because of our affluent society, we added to inflation. Retailers usually charge what the traffic will bear. If we keep paying, the price keeps going up.

Certainly, input costs must be added to the price, but when people question the price, profit margins are kept at a minimum. I do not know of any other time in history when there has been such a variety of prices to choose from.

10:30 p.m.

I would like to close by quoting from an article written by Bill Smyllie for the Thomson Newspapers:

"Come on, Canadians, let's stop whining. My father and mother didn't whine during the big Depression. They did the best they could and desperately tried to avoid going on relief, now called welfare. Get rid of your boat. Sell your second car. There's such a thing as walking. Cut

your kids' allowance to zilch and let them earn by working.

"So you like steak? Eat hamburg. Stop buying that crap from California and Florida in in the wintertime, lettuce for a dollar and a half, mostly water, grapes, oranges, celery, those little hard, bitter tomatoes. Eat spuds, porridge. They're good for you. Dig a root cellar under your patio deck and fill it with carrots and turnips. Get a couple of chickens and if they don't lay, eat them. Cut out those long-distance calls about nothing and write a letter. Wear a sweater to keep your thermostat down.

"We can lick inflation, but not by living the way we do. We can lick unemployment with some guts, but not government guts. There aren't any. If you are out of work, take your unemployment insurance, but get looking for something else. This country still has limitless opportunities, if you want to work, that is, and if you don't believe me, ask the immigrants."

Mr. Cassidy: Mr. Speaker, what a preposterous contribution the last member made in trying to suggest—

Interjections.

Mr. Cassidy: Mr. Speaker, I want to focus on what the government is doing with Bill 179, and since you seem to be poised, I will move to adjourn the debate until Thursday.

On motion by Mr. Cassidy, the debate was adjourned.

Hon. Mr. Wells: Mr. Speaker, before the adjournment of the House, I thought I should indicate what the business will be for the rest of this week.

I know the members will also want to join with me in congratulating the Premier of New Brunswick and his Progressive Conservative government on their sweeping re-election tonight with a very increased majority. I think the House will also want to congratulate three new members of the House of Commons, the Progressive Conservative member for Timiskaming, the Progressive Conservative member for Leeds and the New Democratic Party member for Broadview-Greenwood who, I am sure, will—

Mr. Martel: What about the New Democrat who won in New Brunswick?

Hon. Mr. Wells: You have to have one.

Mr. Speaker, the debate on second reading of Bill 179 will continue on Thursday afternoon, Thursday evening and Friday morning. In order to carry out that business, I would like, with the consent of the House, to move a motion to suspend private members' business on Thursday afternoon.

Agreed.

Hon. Mr. Wells moved that, notwithstanding standing order 64, private members' business will not be considered on Thursday, October 14.

Motion agreed to.

The House adjourned at 10:34 p.m.

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Ontario, *LEGISLATIVE ASSEMBLY*

No. 118

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, October 14, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 14, 1982

The House met at 2 p.m.

Prayers.

Mr. Speaker: The member for St. Catharines on a point of privilege.

CHAIRMAN'S RULING

Mr. Bradley: Mr. Speaker, I rise upon what my House leader tells me would be better defined as a point of order than as a point of privilege, if one were defining it.

It relates to a situation that arose yesterday in the standing committee on general government. I ask your assistance and guidance in this regard, because it was always my understanding—and I think you have said this many times in the House—that the committees shall determine their own progress, their own program and their own procedures.

At the beginning of the supposed consideration of Bill 127 yesterday in the standing committee on general government, I moved a motion which asked that the committee not deal with the clause-by-clause study of Bill 127 at this time. In my view this was a procedural motion, which is always in order. Nothing had transpired immediately before that and nothing the week before which said we should not deal with this item.

The motion, unfortunately, was ruled out of order by the chairman. There are many who would say that it is tantamount to closure not to permit that motion to come forward and not to permit debate on it. I am asking you, Mr. Speaker, to use your good offices to ensure that committee chairmen are aware that committees order their own business and that they should permit motions of that nature.

I say that particularly because, as things transpired in the committee that day, three of the six members of the government party on the committee dealing with the clause-by-clause motion had not sat in on many hearings on Bill 127. That is why it was very unfortunate that we did proceed on that day. I ask your guidance and assistance.

Mr. Speaker: Thank you very much. I would have to rule that it is not a point of order and that, in fact, there is nothing out of order. As

you are aware, the committees do make their own decisions. I cannot consider anything until the report comes back into this House, and neither can the House.

ELECTION ANNIVERSARY

Mr. T. P. Reid: Mr. Speaker, there is a very important date coming up on Sunday which I know you and the House would not want to let go by without some kind of remembrance in the chamber which perhaps will add a little levity to an otherwise hostile environment.

Mr. Stokes: The election of the gang of '67.

Mr. T. P. Reid: You will know, as my friend the member for Lake Nipigon (Mr. Stokes) has said, that Sunday, October 17, will mark the anniversary of the election of the gang of '67 to this august chamber.

It is interesting that there are only 10 members of that esteemed class, whose centennial project was to get a job by being elected in 1967: five on the Liberal side, two in the New Democratic Party and three on the Conservative side.

It is also interesting for historical purposes to mention that of the 125 members in the chamber there are only 14 who predeceased—is that the right term? I think “predeceased” is the right term—the rest of the class of '67 in this chamber.

I will not waste the time of the House by putting those names before you, Mr. Speaker. I just wanted to mention, for the people who were elected in 1967, that they will mark their 15th anniversary in this place of heavenly peace.

Mr. Speaker: The member for Rainy River may be interested to know that the Minister of Transportation and Communications (Mr. Snow) has already drawn this very important date to my attention, with the very strong suggestion that perhaps something should be done to mark the occasion. I am working on that.

Mr. Nixon: Mr. Speaker, when you are examining that matter, could you tell me, as the person who was Leader of the Opposition before and after that election, how the results could have been what they were when the alternative slogan to a continuation of Tory rule was, “Nixon Now”?

Hon. Mr. Davis: Mr. Speaker, I know I

express the views of many of the honourable member's colleagues and party people throughout the province in saying that there would be a number of people in the Liberal Party who would say, "Now is the time for Nixon."

2:10 p.m.

MUNICIPAL ELECTION SPENDING

Mr. Epp: Mr. Speaker, I rise on what I think is a point of privilege but also may be a point of order. It concerns the vote campaign in the municipal elections of November 8. The government is spending \$850,000 on that campaign, as you know. One of the expenditures is for a brochure which the government is putting out and which says: "You decide. Your vote works for you every day."

It is filled up in the front, in the centre and in the back—

Mr. Speaker: Order.

Mr. Epp: Mr. Speaker, I have not finished.

Mr. Speaker: It is not a point of privilege or a point of order.

Mr. Sargent: You're not allowed to embarrass the government like that.

Mr. Speaker: I will ignore that remark. I think this would be better dealt with during the oral question period.

Mr. Epp: Mr. Speaker, I would—

Mr. Speaker: I have to ask the honourable member to resume his seat, please.

Mr. Epp: I would ask that you be a little more liberal in your ruling. It is a very important point, but it may embarrass the government.

Mr. Speaker: I think you can bring it up at the proper time, during the question period.

Mr. Epp: I ask you because it involves—

Mr. Speaker: I cannot debate it. I have asked you to resume your seat.

Statements by the ministry.

Oral questions.

KIM ANNE POPEN

Mr. R. F. Johnston: Mr. Speaker, on a point of order: I am surprised there is no statement, this being an important day in the province. I know all members on this side are surprised that we have not heard a statement either from the Attorney General (Mr. McMurtry) or from the Minister of Community and Social Services (Mr. Drea). Today marks the end of a major epoch. A great work, which is finally coming to

a conclusion, has been in the process for the last many number of years in this province.

In 1976, Kim Anne Popen died. There has been an investigation since that time and, finally, that report has gone to the printers.

Mr. Speaker: Order.

Mr. R. F. Johnston: It is a travesty of justice.

Hon. Mr. Drea: Sit down.

Mr. Speaker: Order, please.

Mr. Peterson: Let the minister speak. He is not known to be a shrinking violet, Mr. Speaker.

Mr. Speaker: There is nothing to reply to, because it is not a point of order.

Mr. Peterson: Even if he just wants to grumble a little, let him go ahead. Frankie wants his day, Mr. Speaker. He is very anxious to say something.

Interjections.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Peterson: Mr. Speaker, I want to mark another anniversary of a sort. It is one year and one day since the announcement of the great Suncor purchase. I suspect the Minister of Energy would like to take advantage of this opportunity to tell everyone in this province about the benefits to the taxpayers of Ontario that have come to them as a result of this purchase.

Can the minister tell us what benefits the taxpayers of the province have had as a result of the purchase that would not have occurred had we not been involved? Will he tell us, please, the current value of the investment in 25 per cent of Suncor?

Hon. Mr. Welch: Mr. Speaker, I am delighted that this question has been raised. Indeed, had it not been raised, I planned to make a statement later on in the day, because this is a very significant and important question that the Leader of the Opposition raises.

He no doubt will know that since the involvement of this government through the Ontario Energy Corp. in the purchase of 25 per cent of Suncor, almost \$1 billion in new investment has been initiated by Suncor alone or in conjunction with the Ontario Energy Corp. We will perhaps get back to that in a moment.

Against the background of the current economic times, when others were backing away from many megaprojects and were timid to take advantage of the federal government's leadership with respect to Canadianization, this com-

pany, in which this government had an interest, proceeded and made some very significant decisions with economic benefits to the people of Ontario.

The member might ask, and I am sure he did ask, what benefits there were to the people of Ontario.

Mr. J. A. Reed: Yes.

Hon. Mr. Welch: It just so happens that it may be of some interest to this House that because of the—

Hon. Miss Stephenson: You'll be sorry you asked.

Interjections.

Hon. Mr. Welch: Just with respect to the decision—

Interjections.

Mr. Speaker: Order, please. The Leader of the Opposition asked the question. I suggest that interjections not be listened to and that the minister proceed to answer that question.

Hon. Mr. Davis: Be quiet over there.

Hon. Mr. Welch: Just to deal with one of those—

Mr. J. A. Reed: Did you read my letter?

Hon. Mr. Welch: I did read the letter. Indeed, that letter prompted me to do a bit more research in anticipation of this anniversary presentation here in the House. It was the member's letter that helped me do that.

Let us just talk about the Sarnia investment alone—\$335 million.

Interjection.

Mr. Speaker: I ask the member for Halton-Burlington to refrain from asking supplementary questions.

Hon. Mr. Welch: May I share with the House the fact that as a result of the Sarnia investment alone, 61 Canadian companies have been awarded contracts for the construction of that upgrading facility in Sarnia, the value of which is \$45 million in Canadian contracts.

Let us take a little look around the province to see where this money, this \$45 million, is going in Ontario. Let us look at Etobicoke, Brantford, Cambridge, Scarborough, St. Thomas, Toronto, Peterborough, Penetanguishene, Niagara Falls, Brampton, Bradford and St. Catharines. Foster Wheeler in St. Catharines, I say to the member for St. Catharines, benefits by this contract, and that involves a lot of people; a lot of people benefit there.

Let us talk about Fort Erie and London. Let us also talk about—

Interjections.

Mr. Speaker: Order.

Mr. Bradley: I have a point of privilege, Mr. Speaker. Reference was made to my name and I rise—

Mr. Speaker: No, it was not.

Mr. Bradley: I want to ask the minister where he was when Babcock and Wilcox was getting all those contracts from Ontario Hydro.

Mr. Speaker: You will get a chance to ask the question. The Minister of Energy has the floor.

Hon. Mr. Welch: While we are talking about our favourites, let us not forget Niagara Structural Steel in St. Catharines as well. Let us talk to the people who are employed in all these plants and ask them what they think about the Suncor investment.

Mr. Peterson: The only contribution the minister could make to Penetanguishene would be to send Malcolm Rowan there, believe me.

Hon. Mr. Welch: That is the only kind of rebuttal you are capable of.

Mr. Speaker: Supplementary, please.

Mr. Peterson: I want to compliment the minister on answering me with a straight face. I want to compliment him, because he does not believe a word of it.

Hon. Mr. Welch: I believe it.

Mr. Peterson: I know he does not and everyone else knows he does not. In fact, is it not true—

Mr. Speaker: Question, please.

Mr. Peterson:—and I am responding to his answer as well as to the news release, this hokey news release that just came to me, stating that the Suncor commitment to the federal government in May 1980 was to upgrade the Sarnia refinery, which was long before the minister's involvement.

Is it not true that as of September 1, 1981, the Alberta-Ottawa pricing accord made it economic for Suncor to proceed with its Fort McMurray overburden removal project?

Is it not true also that the major fire at the oil sands plant compressor building on January 20, 1982—and maybe the minister wants credit for that fire, I do not know—is the major reason that Suncor has initiated the Fort McMurray plant integrity program?

Is it not true as well that on August 17, 1981, Suncor submitted a definitive proposal for the

Fort Kent heavy oil project to the Alberta Energy Resources Conservation Board? The go-ahead was contingent on the price to be received, which was resolved under the September 1, 1981, pricing accord.

Is it not true that the minister could have formed his Trillium Exploration Corp., without having made the \$650-million investment in Suncor?

The facts are that none of those projects is contingent or dependent on the minister's taking 25 per cent of it. He is trying to take credit now for something he deserves absolutely no credit for, particularly when he said at the beginning that he was not there to manage Suncor and that, in fact, he was going to leave it in other hands. He is sucking and blowing, and he is being an incredible hypocrite.

Hon. Miss Stephenson: You are the expert at sucking and blowing; so you should know.

Hon. Mr. Welch: I have seen many exhibitions, but anyone who struggles to justify a position over time as weakly as the Leader of the Opposition does really should re-examine his position.

I want to point out that in view of the economic climate since the acquisition of a 25 per cent interest in this company through the Ontario Energy Corp., great confidence has been shown with respect to this whole industry by this company, encouraged by the Ontario government's participation on its board through the OEC.

The fact remains that there is \$1 billion worth of investment in Canada. The fact remains that there is \$45 million worth of business for Ontario companies. Indeed, no matter what he says, the Leader of the Opposition cannot eradicate this. It is directly related to this decision to go in. He should look at what happened to the other companies.

The Leader of the Opposition talks about heavy fuel oil upgrading. Who else was involved in making that commitment and where are they now? They have decided not to go ahead. We encouraged this company through our involvement to proceed.

The economic value and benefit to this province are obvious. It is about time the Leader of the Opposition was big enough to realize what this means in the way of jobs for the people in all those communities to which I have made reference.

2:20 p.m.

Mr. Peterson: I am a lot bigger than the minister, let me tell him. Let me ask him this: How can the minister, with a straight face and with all the piety that he has summoned up, say what he has said, when Mr. Hennigar, the president of Suncor, said on July 26, 1982: "We would have proceeded with the upgrader even if the provincial government had not owned part of Suncor"? Why is the minister perpetuating this myth?

Hon. Mr. Welch: I will tell the Leader of the Opposition, who keeps making reference to a letter of July 1982, that I have a letter from Mr. Hennigar dated August 1982.

Mr. Bradley: One from Morley Rosenberg.

Mr. Wrye: Is he from the Morley Rosenberg school?

Mr. Speaker: Order.

Hon. Mr. Welch: Let us just get the record balanced and straight about the comment by Mr. Hennigar—

Mr. T. P. Reid: Why don't you read the July letter?

Mr. Speaker: Order.

Hon. Miss Stephenson: You don't want to hear it, do you?

Mr. Kerrio: What does Joe Clark say about this?

Hon. Mr. Davis: After last Tuesday, you people should not even mention Joe Clark. After your performance in Broadview-Greenwood, you should be—

Mr. Bradley: Who is going to read Morley Rosenberg's letter?

Mr. Speaker: Order. The Leader of the Opposition has asked a supplementary. The minister is trying to reply, if the members would just contain themselves long enough.

Hon. Mr. Welch: This is Mr. Hennigar's letter of August 1982: "The comments attributed to me with respect to the role of the OEC's directors on the Suncor board should only be interpreted to mean that commercial criteria exclusively were used by the board. My comments should not be interpreted to mean that the OEC's representatives did not contribute significantly to the decision to proceed nor that the approval of the project was a foregone conclusion when the OEC joined the Suncor board. On the contrary, the support of the OEC representatives on the board was most supportive in arriving at the decision to proceed."

Mr. Peterson: Let me just say, by way of advice to the minister, that if he finds Mr. Hennigar was either mistaken or telling a lie in the circumstances, he can always appoint him to the Ontario Municipal Board.

Mr. Speaker: Question, please.

UNEMPLOYMENT

Mr. Peterson: Mr. Speaker, I have a question for the Premier. Last week we were discussing the unemployment problem in this province. The Premier said: "If one looks at those sectors where the unemployment figures have increased, they are sectors over which this government has no control."

It is interesting to look at unemployment rates in the various sectors of the province. I want to bring them to the attention of the Premier.

In agriculture, from last month to this month, unemployment went from 5.9 per cent to 7.2 per cent; in primary industry, unemployment increased from 30.6 per cent to 31.5 per cent; manufacturing unemployment increased from 11.5 per cent to 12.5 per cent; in transportation, communications and other utilities, unemployment increased from 6.8 per cent to 6.9 per cent; and in public administration, unemployment increased from 4.5 per cent to 6 per cent.

What these figures say is that in virtually every sector, unemployment is increasing. Is the Premier saying there is nothing he can do at all?

Hon. Mr. Davis: Mr. Speaker, the leader of the "community party" for Ontario is misunderstanding, once again, what I said. I must confess I was shocked when I read a release about a gentleman, whose name I will not trouble the House with, who is running in the by-election in York South as "our community candidate." I want to congratulate the member for London Centre (Mr. Peterson) as the new leader of the "community party" of Ontario. I think it is just tremendous. I was in his home town last night.

Mr. R. F. Johnston: When is a Liberal not a Liberal?

Hon. Miss Stephenson: When he is an Ontario Liberal.

Hon. Mr. Ashe: Whenever he might want to get elected.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I was just reading this press release from Slim Streek.

Mr. Kerrio: You call yourselves Tories.

Hon. Mr. Davis: That is right. Look at the pink shirt the honourable member's leader is wearing today. That is because risers are being provided for the TV cameras at the member's party's rally tonight. What are risers for rallies? I have no idea. I am just reading the information here.

I will try to take the member back to the question and the discussion. What I endeavoured to point out to the member—let us go through the categories he listed. I think I said that in the resource sector the question of the world nickel market was something over which the government of Ontario had no control. He read out figures for the resource sector—

Interjection.

Hon. Mr. Davis: He did mention the resource sector. Primary industry comes under the resource sector. The member should try to understand what he is trying to ask. For a former member of the Young Presidents' Organization not to know that primary industry includes the resource sector is a clear indication that he never should have been a member of that organization because some of his colleagues were.

Primary industry includes Inco, it includes Falconbridge, and it includes others in the resource sector. I make no apologies for it; we do not control the price, the international marketplace or the demand.

Mr. Mancini: How about keeping the promise?

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Davis: I ask the member for Essex South to try to pay attention.

Let us go through the transportation sector. The member should know something about the transportation sector. I observed that this government really had no control over the automotive market in the United States. That is part of the transportation sector. It relates to the automotive business. It is approximately 24 per cent of the economy of Ontario. I make no apologies, once again, for stating that we do not control market conditions in the United States.

I think the member mentioned the agricultural sector. In terms of the sectoral analysis done by his research experts, who prepare these questions for him, I do know whether they included in the agricultural sector the farm implement machinery business or whether they included it in manufacturing; whichever one it happens to be in, I think his colleague—"Nixon Now" for leader of the "community party" of Ontario—his colleague would tell him that the

problems in Brantford, and for some of his constituents who live outside that great community, relate to the depressed condition of the agricultural machinery market, not only in the United States but elsewhere as well.

I said to the members of this House that this government had taken certain initiatives in the housing field in terms of small business. We have seen growth in some small business; we have seen employment increase in some areas of small business. But I reiterate that there are some market conditions over which this government does not have control, and I say, with the greatest of respect, there are one or two areas over which even the member's friends in Ottawa have no control.

2:30 p.m.

Mr. Peterson: It is very hard to decipher, but I assume the Premier is saying that he has no control. Why did he go to the Premiers' conference in Halifax, for example, on August 25 of this year and say, "But at the same time these constraints cannot be used to deny our domestic responsibility to make our best efforts to provide for immediate economic recovery and set the basis for economic growth through the rest of this decade"? It is interesting that on September 21 of this year the Premier repeated the identical words in this Legislature, and it is interesting that on October 8 of this year in his speech to the Conference Board of Canada he repeated the identical words, the identical phrase.

What is his problem? Do his speechwriters have the same ennui the rest of the government has? Are they unable to think of anything new? Or is that his idea of best efforts, having no control and not being prepared to do anything at the same time as he is making pious speeches about how we all have to do something and do it together?

Hon. Mr. Davis: Mr. Speaker, with great respect, I guess the honourable member's research assistant was not at the Conference Board deliberations because I did not use my speech. That may come as a bit of a shock to him. I know he always sticks to the written text. Particularly when he is trying to find out where Highway 1 is, I know how he sticks to the text.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, as I was attempting to say and as I tried to say in London last evening, as a matter of fact, at a very

nonpartisan event—it was a great evening and they missed the member—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: I think it went very well. Mr. J. Allyn Taylor, the chairman of the board of McMichael gallery, is a very distinguished Canadian. Maybe that is why the member was not there. Anyway, I will go ahead.

Mr. Bradley: Was Morley there?

Hon. Mr. Davis: No, but Captain Joe Jeffery was there and many other of the friends of the Leader of the Opposition.

Mr. Speaker: Now to the question, please.

Interjection.

Hon. Mr. Davis: I did not see his father-in-law.

What I said in Halifax, what I repeated here and what the Treasurer (Mr. F. S. Miller) has said on two or three occasions is that we think there is a responsibility, but before consideration by this government of what limited options may be available to us we were anxious to co-operate, as I said in Halifax, with the other provinces and with the government of Canada. That is still our expectation, although I cannot say it is one that is going to be fulfilled.

The Treasurer has said on three or four occasions in answer to exactly the same question raised by the Leader of the Opposition that until we have some response from Ottawa, until we get some indication of whether we can deal with this on a co-operative basis, we will delay whatever initiatives might be available to us until that determination is made. I do not know how many more times the member has to be told.

Mr. Cooke: Mr. Speaker, perhaps the Premier will realize that there are 700,000 people unemployed in this province. It is a serious problem and it demands a serious answer instead of his silly, comic routine which we get every day in the Legislature.

Mr. Speaker: Question, please.

Mr. Cooke: Last week when the Premier said this government could do nothing about markets that exist within this province in order to increase consumer demand, did he not realize that he already has taken action on that matter? He has taken \$440 million of consumer buying power out of the marketplace by a wage control bill which will lose more jobs in this province.

Hon. Mr. Davis: Mr. Speaker, with great respect to the honourable member, he has

asked two questions. The first indicated that in spite of his assessment of how I answered the Leader of the Opposition with his very penetrating questions, he was not paying any attention.

I did not refer to the domestic marketplace at all; I was referring to the international marketplace and the United States. If he would listen for once in his life, he might understand what is being said. I think it is fair to state as well that the member has become so sanctimonious, so self-righteous, so caught up in his own importance that he never listens to anyone else.

I would also say to the member that he should be saying something else to the public sector employees of this province, for whom I have a much greater measure of respect and in whom I have more confidence than the member obviously does. We are not taking out \$450 million worth of purchasing power; we are, as a matter of deliberate policy, trying to reduce the level of inflation, trying to give greater freedom within the marketplace and providing a measure of job security that his party would never support. His party would support greater unemployment in the public sector by the reaction he is taking to that bill.

Mr. Peterson: Mr. Speaker, the Premier feels that we are badgering. He quite obviously feels that the opposition is not entitled to ask questions about it.

Mr. Speaker: Question, please.

Mr. Peterson: He does not understand the pre-eminent question in this province at the present time. Does the Premier realize, on the basis of last month's statistics compared to this month's, that we are losing more than one job every two minutes, so critical is the situation? The Premier is saying, "We will wait for the federal government." What are the Premier's plans? Does he have any plans? Why does he not share them with us? What is he going to do? A lot of people are very upset.

Hon. Mr. Davis: Mr. Speaker, there is no question as to the right of the Leader of the Opposition to ask any question he desires. However, in a moment of quiet contemplation, he might review his leadoff on other questions over the past two or three weeks and see whether my somewhat facetious observation as to their penetrating character is not correct.

I repeat again what was said two weeks ago and what has been said by the Treasurer since that time. We believe part of the solution has to relate to the responsibilities of all governments in this country. It has to relate to the responsibilities

of the government in Ottawa. The Leader of the Opposition may not like that, but it is factually correct.

The Treasurer has had a meeting with the new federal Minister of Finance. He hopes they will be having further discussions. We hope to work out a co-operative approach to this, which I think would be best and which the Treasurer thinks would be best. I hope the Leader of the Opposition in his quiet moments would also think it best.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: We have also said if that does not materialize this government is prepared to take certain initiatives. We are not prepared to disclose them at this moment.

ARK EDEN NURSING HOME

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour. Does the minister remember a statement he made in the Legislature on October 7, when he referred to the wages of public servants who earn \$13,000 a year? He said, "Of course, I do not feel the salary being quoted is a generous salary or even a salary that anyone can subsist on these days, certainly not at that figure."

Keeping that in mind, would the minister like to comment on the effect of Bill 179, which provides for a maximum increase of \$1,000, on the employees of Ark Eden Nursing Home where the starting rate for kitchen aides, nursing aides, housekeeping aides, laundry aides and cooks will go from \$6,661 a year to \$7,961 a year with that maximum increase? If a family or an individual cannot live on \$13,000, how can someone live on less than \$8,000 a year?

Hon. Mr. Ramsay: Mr. Speaker, I think the real question at hand is the ability to save jobs at the present time and that is what Bill 179 will do.

Mr. Speaker: Supplementary, the member for Bellwoods.

Mr. McClellan: You caught me off guard, Mr. Speaker. I expected an answer to that question.

My supplementary concerns the windfall profit that will come to this wonderful facility, the Ark Eden Nursing Home, as a result of the wage control program. Would the minister not agree that since this nursing home receives the same per diem rate of \$23 as every other nursing home, the five per cent wage increase next year will result in a very nice little windfall profit to this nursing home?

Would the minister consult with his friend the

Minister of Health (Mr. Grossman) and tell us what the profit margin is for Ark Eden Nursing Home before the control goes into effect, what the profit margin is in comparison to nursing homes in the same vicinity which pay double the wages and just how much money they expect to make as a result of Bill 179?

Hon. Mr. Ramsay: I do not think one can establish a pattern for windfall profits unless one knows the expenses the institution is committed to. A lot of these nursing homes have been operating extremely close to the line. I cannot see that this is a situation where there are necessarily going to be windfall profits.

2:40 p.m.

Mr. Bradley: Mr. Speaker, I heard the word "nursing." When the minister is considering this matter, will he report the progress to this House and indicate whether he has given favourable consideration to the public health nurses in Niagara and the representations they made here?

Mr. Speaker: With all respect, that is not a supplementary.

Mr. Bradley: Was the question not on nursing?

Ms. Copps: He asked about nursing homes.

Mr. Speaker: He was talking about nursing homes.

Mr. Bradley: Some of them work in nursing homes.

Interjections.

Mr. Bradley: I think he wants to answer.

Mr. Speaker: With all respect, it had nothing to do with the main question.

Mr. Cooke: Mr. Speaker, I would like the Minister of Labour to take a better shot at talking about the windfall profit. The fact of the matter is other nursing homes with the same per diem are paying their workers double. Obviously this nursing home will get a windfall profit as a result of Bill 179.

Is he further aware that the average yearly income for a registered nurse in the hospitals of this province is \$24,000?. The registered nurses at this nursing home will be going from \$14,800 to \$15,100 if they get the five per cent which is provided for under the government's bill.

I would like to ask the minister whether he thinks this is fair. Does he realize that this nursing home is providing care to children who have severe problems and are severely handicapped? Should we not recognize that these people have a very difficult job and that they should be paid a decent wage?

Hon. Mr. Ramsay: I am not going to argue with the member opposite as to what a decent wage is or as to what these people are entitled to.

Hon. Mr. Ashe: The arithmetic the member opposite used is not very good though.

Hon. Mr. Ramsay: I just happen to feel, regardless of whatever date was selected for the implementation of these guidelines, there are going to be groups and individuals who are hindered by them and this just happens to be one of those cases.

FOREIGN INVESTMENT

Mr. Cooke: Mr. Speaker, the provincial Treasurer has gone so I will ask the question of the Premier. Is the Treasurer coming back in?

Mr. Speaker: Ask your question, please.

Mr. Cooke: Here comes the Treasurer. The Treasurer will recall the following comments that he made in the Legislature on Bill 179: "I sometimes believe that members opposite do not understand that our high credit rating is not merely a status symbol. It is concrete evidence to investors that Ontario is a secure place to put their money. We need more investors to have confidence in Ontario."

With that in mind, one of the rationales the Treasurer has used for the wage controls contained in this statement is that we need more foreign investment. In other words, he is encouraging more foreign capital for Ontario and he supports more foreign ownership. How can the Treasurer advocate such a policy when, between now and the end of the decade, foreign companies, lenders and investors, will extract \$279 billion from Canada?

Hon. F. S. Miller: Mr. Speaker, that shows the myopic view of my friend the Treasury critic in the opposition benches.

Interjections.

Hon. F. S. Miller: My friend, profits are from goods one creates out of the resources of a country, the manpower, the energy and the materials. If investment is not brought there, be it our own or foreign, then the human resources are totally wasted. The cost of keeping those human resources unoccupied far exceeds the small share of profit that is given to the shareholders.

Mr. Cooke: I think the Treasurer missed the point that was being made, and that is the cost of foreign investment in this province and in the country.

I would like to ask the Treasurer if he realizes that last year Canada paid out \$10.3 billion to foreign lenders and investors and we paid out a net \$21 billion for foreign-made goods. The Treasurer should be aware that if the situation continues up until 1990, that is the equivalent of losing 107 General Motors in this province.

Does the Treasurer not understand the cost of foreign investment? Is it not time we had an industrial strategy in this province that concentrated on developing the Canadian-owned sector in order to develop our resources, as well as a manufacturing sector for Canadians?

Hon. F. S. Miller: I have not misunderstood; my colleague has not heard. It takes investment; it takes capital that is available. We saw some interesting examples a while back of our buying back a resource through a company called Dome, replacing foreign equity with borrowed money. We did not have the savings in this country and that virtually destroyed a company.

I am as good an economic nationalist as my friend. I want, as does our party, Canadians to own equity in this country, but one has to have the wherewithal to buy that equity. The member will not put even a cent in equity. He believes in the state owning it all. No one would come here under him.

Mr. Bradley: Mr. Speaker, the minister must recognize the degree of opposition to Bill 179 in that it zeros in only on the public sector. Has he given consideration to, or does he agree with, the remarks of Nelson Riis, the federal New Democratic Party finance critic, who said he believes in full wage and price controls on both the public and private sector?

Hon. F. S. Miller: Mr. Speaker, the one thing I have discovered about the NDP is that hearing one of its members offer an opinion does not indicate what the party thinks because it has as many opinions as it has members. It always has had and always will have. It is not a party; it is a collection of individuals no one else will take. I do not agree with the statement.

Mr. Cooke: Mr. Speaker, with regard to the money that goes out of this country, the Treasurer talks about our not having the capital ability ourselves within this province to invest. Does he not realize the money that is going out of this country is our money? Does he not realize there has been the Statistics Canada study, the Gray report and the report of a committee of this Legislature which have proven the problems of foreign investment, foreign ownership and foreign control?

Is it not time the Treasurer and the Premier recognize that this matter of foreign ownership is at the heart of the economic problems that now exist? It goes back to the Premier's answer to an earlier question when he pointed out the dependence on the United States and other foreign countries. That is the reason we do not control our economy and cannot create the jobs to get out of this depression on our own.

Hon. F. S. Miller: I sense I could answer this question all day and probably not change my colleague's mind. What is money? Money, as far as I understand it, is a material issued to represent wealth created somewhere in one's country. If one prints the stuff without creating the wealth, one has inflation. Does the member follow that? We create wealth by using foreign investment, Canadian labour and Canadian investment and putting them together to create wealth. When we do that we can print money that means something. When we create that money it is not bad to give a little bit of the money we created to somebody who put his money here.

BRUCE HYDRO LINE

Mr. Nixon: Mr. Speaker, I have a question for the Premier resulting from the rejection by the cabinet of the appeal from the Oxford County Federation of Agriculture on a decision by the joint board on a proposal from Ontario Hydro on the location of the transmission lines bringing power from Bruce to southwestern Ontario.

Can the Premier explain to the House and to the interested communities and property owners why the appeal was rejected? It sought to remove approval by the joint board for location of a high-tension line along a Highway 401 corridor. Such a proposal was not even part of the program put forward by Ontario Hydro in its six alternatives. Since it has been approved by the cabinet, what is the Premier going to say and what can I say to the communities and property owners affected who had no opportunity to come to the joint hearing board since the proposal was not before the board at the origination of the hearing?

Hon. Mr. Davis: Mr. Speaker, I will endeavour to get more definite material for the honourable member to explain to some of his constituents. The cabinet really confirmed the majority decision of the Ontario Municipal Board. It was as simple as that. It was actually the consolidated hearings board. While we were asked by some to alter that, there was a suggestion it be sent back for a further hearing, that

would have resulted in X number of months of further hearings with perhaps no differential in result. So the cabinet, in its wisdom, felt it should confirm the order of the joint board.

I should point out—and this perhaps will help the honourable member in explanation to his constituents—that as I understand it, the initial recommendation covers a rather wide band in terms of the potential alignment. In fact, as the member knows, the alignment corridor probably will be in the neighbourhood of 800 or 1,000 feet, or whatever it is, but on the maps it appears as though it is covering eight or 10 miles, as I am sure it does for some of his constituents when they look at the maps themselves.

As I understand the process, in terms of the specific allocation of the transmission line itself within those broad bands, there will be an opportunity for public input. I think the member can assure his constituents of that.

2:50 p.m.

Mr. Nixon: The Premier will no doubt recall the tremendous difficulties experienced by himself and his colleagues in getting an approval to bring the power from the original Bruce station down from Bradley to Georgetown. The tremendous expense and numbers of hearings and the deviation of the line from certain properties really brought the program into disrepute.

Is he not aware that Ontario Hydro, no doubt after consultation with the minister and other of the Premier's colleagues, went to great lengths to call a number of public meetings to discuss the six alternatives that were put forward? The one along Highway 401 was not one of the alternatives. The communities and people there had no idea that they would be involved. For me to say, "All is well because Bill Davis says you will have something to say about the exact alignment," is not sufficient. It seems absurd to them that the power from Bruce is going to go across to Barrie, down to Milton, around to Middleport and through the county of Norfolk, with a second line along Highway 401.

One of them might have been appropriate, particularly since it was part of the hearing, but for the other one to appear out of thin air—and I look at the New Democratic Party members since they were so involved in this—without the citizens even having any right to discuss it, does not suggest that Hydro has learned any lessons. The Premier is going to have a continuing problem, believe me, unless he orders an additional hearing, not for the exact location of the line in the band on each side of Highway 401, but as to whether it should go through there at

all. Hydro did not think it should. Why does the Premier think it should?

Hon. Mr. Davis: I do not think the member intended to suggest that Ontario Hydro did this. As I recall it, and I do not have all the details with me, the actual band or area that the joint hearing board recommended was not Hydro's first preference.

Mr. Nixon: I am not blaming them, I am blaming the Premier.

Hon. Mr. Davis: With great respect, on occasion I have heard from over there some people who suggest that we should not, as a matter of policy, interfere with decisions by the joint hearing board or the OMB or what have you. We were faced with this recommendation from a board that was constituted to have these hearings.

RESIDENTIAL TENANCY COMMISSION GUIDELINES

Mr. Philip: I have a question for the Minister of Consumer and Commercial Relations, and no doubt the Minister for Industry and Trade will be interested in this question as well.

Both ministers will be aware that nearly 11,000 apartment units in Metropolitan Toronto have been sold through Greymac and that the matter has been referred to the Foreign Investment Review Agency. Since it is the policy of this agency to consult the provincial government affected concerning its views, can the minister tell the House Ontario's position on the purchase of existing rental accommodation by foreign companies, such as is indicated may be the case in this particular purchase?

Hon. Mr. Elgie: If the member has information I do not possess, I would be delighted to receive it. I have no information that Greymac is a foreign corporation. If he has that information, will he please provide it to the House?

Mr. Philip: Maybe the reason this minister does not have information on foreign investment and speculation in apartment buildings is that he has failed to do the kinds of studies this party has asked for on the effect of foreign investment in the apartment industry.

Mr. Speaker: Your question, please.

Mr. Philip: Is the minister aware that tenants are presently paying 85 per cent of the refinancing cost of apartment sales? With the balance of payments problem, why should Ontario tenants be financing Swiss companies and other companies for the takeover of apartment buildings in this province? Is that the minister's position?

Hon. Mr. Elgie: Mr. Speaker, first let me say in a quite straightforward manner that if the member has information to indicate Greymac is a foreign-owned corporation he should put it before the House now. If he does not, then would he please stop repeating those things.

He has asked about the commission's guidelines. They are not the government's orders; they are the commission's guidelines with respect to refinancing. He knows them very well. He knows that the refinancing guideline policies of the commission, as I recall, allow up to 85 per cent of the financing charges to be passed on. They may be passed on over a number of years, depending upon—

Mr. Laughren: That's not bad, is it?

Hon. Mr. Elgie: Let us not play silly games. That is the reality of life. When one buys something, part of it is financed. That happened probably when the member bought his house, unless he is that wealthy he did not have to mortgage it. The member knows the way it is done and he knows it is a perfectly proper business practice. I do not understand all this talk he keeps repeating about a foreign company. If he has that information, he should put it out.

Mr. Philip: On a point of order, Mr. Speaker: If the minister will check the record, he will notice I did not say Greymac was a foreign company but that indications are that it is acting as a front for foreign companies for the purchase. That was what the record showed. If the minister is asking me to stop playing silly games, he should stop playing them also.

Mr. Speaker: Order.

Ms. Copps: Mr. Speaker, in this transfer of properties some 10,000 tenants in Toronto alone could potentially be affected. I wonder if the minister could review the regulations such as they exist, looking at the 15 per cent money down and the amortization over a number of years, and come back to this House with a more equitable, fairer treatment of amortization so that tenants in this province are not continually ripped off by the kind of regulations that presently exist in the Residential Tenancy Commission.

Hon. Mr. Elgie: Mr. Speaker, I hope that people listening do not really believe that it is a valuable thing in society to try to make scapegoats of people for political reasons. That is not really a good way to approach life.

The member knows very well that the guidelines established by the commission, not by the

government, say that up to 85 per cent of the financing charges can be passed on, which is the way any purchase any of us make is often financed. If she is saying there is something inappropriate about that, then I would like to hear some good justifications for it because, as I understand it, the commission sought good advice on what was a normal and acceptable business practice.

I know their practice is being questioned in the courts, and there is a case coming up this fall as to whether or not they even have the right to spread them out over any number of years. Nevertheless, they endeavour to act in the best interest of people purchasing and to provide some spreading out of costs to tenants. I think that is a pretty reasonable approach.

INTERNATIONAL HARVESTER

Mr. McGuigan: Mr. Speaker, my question is to the Minister of Industry and Trade. In spite of announcements about a proposed short-term rearrangement of credit by suppliers to International Harvester of Chicago, due to the longer-term possibility of the bankruptcy of the American company and the news report that International Harvester Canada is a separate financial unit, will the minister initiate a preliminary feasibility and advisability study by the government, either alone or in conjunction with other agencies, to participate in the financing of the Canadian company in the event that the US company does go bankrupt?

Hon. Mr. Walker: Mr. Speaker, it seems to me that it might be rather foolish for any organization, whether it be the government of Canada or of Ontario, or for that matter a chartered bank or lending institution, to ever wander in and immediately say, "Yes, we are prepared to give you money for this situation."

It seems to me that if there is a problem, then the problem will be brought forward. At the moment, it is our understanding that things are on a reasonable keel. It was just two or three days ago—last Friday I believe—that the shareholders' meeting of International Harvester in the United States confirmed the reorganization plans for International Harvester for the refinancing arrangements that had been submitted to their various banks on an international basis. We have to assume that particular refinancing restructure will have to be carried out before any problems will be incurred. Should problems develop, they will be dealt with at the time.

3 p.m.

At the moment we are led to believe that the Chatham plant and the Hamilton plant are able to survive on their own. They are functioning and, indeed, their mandate is growing as a result of this financial reorganization. That is good news and I think the member for Chatham-Kent (Mr. Watson), who has raised this question with me a number of times, would certainly accentuate that.

Mr. McGuigan: I would like to point out that I did not ask for an announcement. I asked for a feasibility study. The success of this recent proposal depends on the suppliers giving an advantage of \$1 for every \$3 that the banks are proposing to put in; by no means is the future of the company assured.

Mr. Speaker: Question, please.

Mr. McGuigan: I would like to ask the minister for a word of encouragement to the people of Kent-Elgin and Chatham-Kent to counter the negative statements that have been made by the member for Windsor-Riverside (Mr. Cooke) which were commented on yesterday by the manager of radio station CFCO, who takes particular umbrage at the gloomy outlook the member has painted for the city of Chatham.

Hon. Mr. Walker: I suppose the only encouragement we can offer is that the member for Windsor-Riverside continues to go around hanging gloom and doom and all kinds of black veils over every place he visits. A couple of days ago it was Sarnia, a day ago it was St. Thomas and a few days ago it was Chatham. He seems to leave a black trail wherever he has been.

Beyond that I do not know that we can comment other than to say that there was a reorganization plan, and in that plan the Chatham plant appears to be receiving not only its good existing mandate but perhaps a much more significant mandate. In that situation we are, ourselves, in weekly contact with International Harvester on the matter.

Frankly, I am very optimistic about the opportunities and chances for International Harvester Canada and the success that the Chatham plant and the Hamilton plant can expect to enjoy.

DAY CARE

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Community and Social Services. On March 19, 1982, the minister said, "Providing more and better quality day care is and will continue to be a priority of my ministry."

Can the minister explain some of the range of

answers and advice that is being given to the day care community in the central, Toronto-based, region of Ontario, to do with his initiatives program that was established to help expand day care in the province?

Is it true that there is a temporary freeze on capital and startup funds in the central region of about \$200,000 at this point? Is it true, as others have been told, that this money has been frozen until Metro's base funding for day care, a deficit of \$2.6 million, has been worked out?

Is it true, as some members of his ministry have been saying, that this is going to be the end of the initiatives program and that it will not be continuing? Or is it true, as other members of the ministry have been saying, that there is a huge overrun in the children's services budget for this region that is causing a rationalization right across the budget?

Would the minister please give us the answer on what is really happening, because day care deliverers and Metro social services sources have been given many different kinds of information, which are those I have listed.

Hon. Mr. Drea: Mr. Speaker, I just moved one through for the Pinocchio centre yesterday.

The problem in Metro is the fact that I provided—I guess it is the second version mentioned by the member, he read them off in order.

I am talking to the honourable member and I would appreciate his paying attention while I answer his question.

I believe the second of the versions he mentioned was that Metro was having some difficulty with its \$2.6 million which was the amount of money provided to Metro over the current fiscal year for 600 day care spaces. Metro has had some difficulty, and they have not applied any of that money to any new day care spaces. Through my ministry, I have been meeting with Metro and reminding them that this was not money to be used for something else, it was money to be used for the provision of subsidized day care spaces.

The problem with the money that is outstanding or left with us—and the reason I say \$14,000 is it is \$186,000 now; so the next time the honourable member asks me, it is not \$200,000 but \$186,000—is that it leaves the day care provider in a very untenable position. That is startup money, and their proposals are all based on the fact that Metro will take up a number of spaces in there. We shortly intend—not hope, intend—to have it resolved with Metro: either use that money for what it is intended or give

Mr. Drea back the money, all of it, and Mr. Drea will work out another financing vehicle for those depending on subsidized day care spaces.

Mr. R. F. Johnston: I thank the minister for the partial clarification I have received. Is it not the case, though, that Metro has been telling the minister of its difficulty with the deficit since the spring and trying to make arrangements with him for accommodation of that deficit. The reason for the deficit is, of course, that they happen to pay day care workers in their Metro-based services a good rate of pay because they happen to be unionized.

When is the minister going to be making the proposal to Metro, inasmuch as tomorrow, essentially, is the last time the present council will effectively be able to do anything with the 300 spaces they—

Hon. Mr. Drea: Six hundred.

Mr. R. F. Johnston: Well, I know that the two of you argue about whether it is 300 or 600. They say it is 300; the minister says it is 600. I do not want to get into that statistical argument with him, although I side with Metro on it.

Mr. Speaker: Question, please.

Mr. R. F. Johnston: Is the minister going to do something on this by tomorrow? Is he going to make them a proposal for what they could be doing with this deficit? Is he then threatening them to take away this money, essentially, and give it to nonunionized areas and other kinds of vehicles? That is why they have their deficit. The minister's base guideline does not fit what they need, and he knows that is entirely true.

Finally, does the minister concur with what Mr. Kruger has said, that cutbacks were going to be necessary in all the discretionary programs—which means day care—in Metro next year because of his restraint program?

Hon. Mr. Drea: The honourable member knows better than that. Mr. Speaker, there is a very simple and fundamental principle involved here. The amount of money given to Metropolitan Toronto was for one purpose and one purpose only. It was not to be used for welfare; it was not to be used to patch up some of Mr. Kruger's little misadventures in the past. It was to be used for the provision of subsidized day care spaces.

Mr. Speaker, you will recall that last year this very same question arose, and I said at that time—

Mr. McClellan: Tell us about the little misadventures.

Mr. Speaker: Order.

Mr. McClellan: He is attacking his own friends.

Hon. Mr. Drea: I am attacking what?

Mr. McClellan: Your own pals.

Mr. Speaker: Never mind the interjections, please.

Hon. Mr. Drea: I have an awful lot of friends. That is something that is very strange to you.

Mr. McClellan: Do you attack them all?

Interjection.

Hon. Mr. Drea: If he finds two, he will be a winner.

Mr. Speaker, you will recall that I read correspondence in the House last year, or perhaps it was in the estimates, which referred to the fact that additional moneys that were provided to Metro in the previous fiscal year to equalize salaries and to provide additional day care were not used for that purpose.

You will recall, and I am sure the House will recall, that specifically we said, "Don't use it to cushion your welfare bill."

My ministry and I proceeded in this fiscal year to put the money down. That was to be used for day care spaces. Now we find out it has not been used for that. I think it is the only choice I have. My ministry does have comprehensive auditing. I have very little alternative except to insist that those funds be used for day care. That is what I am saying.

3:10 p.m.

It has absolutely nothing to do with the wages they are paying because I gave them equalization money last year which, as the member will recall, they did not even use. They spent half of it on something else. How they get themselves out of their own internal financial difficulty really is not dependent upon the date of the municipal election or the fact that tomorrow is their last meeting. That is an ongoing thing.

Mr. Picherack, the new director, is simply going to have to show us how he intends to use the day care money for day care. If the member is holding a brief that says I should forget all about it because they got the additional \$2 million, I cannot do that.

Mr. Epp: Mr. Speaker, I would like to ask the minister a supplementary question as to whether he can condone the Ministry of Municipal Affairs and Housing, in putting out this brochure. He was referring to the election of November 8—

Mr. Speaker: Order. That is not a supplementary.

Mr. Epp: He was referring to the election—

Mr. Speaker: No, no.

Mr. Epp: —and expenditures. I thought for sure you would be more lenient.

Mr. Speaker: Order, please.

[Later]

Hon. Mr. Drea: Mr. Speaker, on a point of clarification: When I was giving a reply to the honourable member for Scarborough West a few moments ago, I inadvertently misread some figures. I know he is not in the House, but I would like to make the correction.

The day care space funding for Metropolitan Toronto for this fiscal year was a little over \$2 million for 600 day care spaces. That was partially implemented by Metro on January 1, 1982. They have used only \$741,000 of that more than \$2 million. The \$1.3 million residue is available to them and they have not asked for it.

That does not change the substance of my answer about where the the \$1.3 million goes, but I did want to clarify it.

MINISTRY OF HEALTH ADVERTISING

Mr. Spensieri: Mr. Speaker, I have a question for the Minister of Health. The minister has been asked to support a program of restraint in spending by all government departments. Why, then, would he choose at this particular juncture to initiate a costly advertising program, the purpose of which is simply to wish Women's College Hospital a happy centennial? Is the minister exempt from the budgetary restrictions? Do ward heeling and political aspirations take precedence over restraint?

Hon. Mr. Grossman: Mr. Speaker, I am having difficulty because I suffer a disadvantage. On this side of the House we have to deal with facts. On the member's side, they can deal with inaccuracies and exaggerations.

For a long period of time, the public has been inundated with rather extreme and inaccurate statements with regard to the state of health care in this province. If one were to read some of the inaccuracies that the member's party has had bound up in red for \$12,000, some of our citizens would believe that there is a health care system in this province which is not the best in the world, when in fact it is.

Therefore, when we have something that is worthy of note, when there are volunteers who have worked hours and hours and years and years to put together a great facility such as the

Women's College Hospital, we on this side of the House are of the view that the citizens are entitled to as much good news and accurate news about the health care system as possible. I am proud to commit taxpayers' dollars to inform them of the great, world-leading facilities that are available to them in the health care system right here in this province.

TRAFFIC HAZARDS

Ms. Copps: Mr. Speaker, I have a point of privilege relating to a letter which I received from the Minister of Transportation and Communications (Mr. Snow) on April 19, 1982, in which, following the death of a student in my riding, the minister wrote: "It is felt by some school boards that children should not be dependent on the school bus to stop traffic for them in an urban environment when they are exposed to potentially hazardous traffic conditions at all times, not only going to school—

Mr. Speaker: Order, please.

Ms. Copps: There has been a second death on that same street. I wonder if the minister is still of the same opinion.

Mr. Speaker: That is not a point of privilege.

Ms. Copps: I could not wake him up in question period.

MOTIONS

STANDING COMMITTEE ON GENERAL GOVERNMENT

Hon. Mr. Wells moved that the standing committee on general government be authorized to meet on the evening of Monday, October 18, 1982, and the afternoon of Tuesday, October 19, 1982, to complete the clause-by-clause consideration of Bill 127, An Act to amend the Municipality of Metropolitan Toronto Act.

Motion agreed to.

ESTIMATES

Hon. Mr. Wells moved that the estimates of the Ministry of Consumer and Commercial Relations be transferred from the standing committee on administration of justice to the standing committee on general government, to be the first estimates taken.

Motion agreed to.

INTRODUCTION OF BILLS

CEEPHIL INVESTMENTS LTD. ACT

Mr. Rotenberg moved, seconded by Mr.

Mitchell, first reading of Bill Pr40, An Act to revive Ceephil Investments Ltd.

Motion agreed to.

CITY OF HAMILTON ACT

Mr. Charlton moved, seconded by Mr. Samis, first reading of Bill Pr29, An Act respecting the City of Hamilton.

Motion agreed to.

VISITOR

Mr. Conway: Mr. Speaker, I just wanted to indicate that our friend the former member for Grenville-Dundas, Mr. Don Irvine, the distinguished new chairman of the St. Lawrence Parks Commission, was with us. He has just left. As one member, I wanted to welcome him back and wish him well in the good works he will be undertaking at that august provincial agency.

3:20 p.m.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I thought since we are debating this bill today I might indicate the business of the House for the remainder of this week and next week.

Tonight, October 14, and tomorrow, October 15, we will be continuing the debate on second reading of Bill 179.

On Monday, October 18, we will also be debating Bill 179 until 5:45 p.m. May I indicate to the members that there is an understanding between all parties that there will be a second reading division put at about 5:45 p.m. on Monday. The House will not sit Monday night; however, one of the committees, as we have just indicated by motion, will be sitting on Monday evening.

On Tuesday, October 19, legislation will be dealt with in the House in the following order: Second reading and committee of the whole House, if required, on Bills 163, 164, 171, 172, 109, 174, 91, 93, 149, 150, 131 and 132.

On Wednesday, October 20, three committees will meet in the morning. They will be the standing committee on general government, the standing committee on resources development and the standing committee on administration of justice.

On Thursday afternoon, October 21, private members' ballot items will be considered. The items to be considered will be those standing in the names of the member for Elgin (Mr. McNeil) and the member for Downsview (Mr. Di Santo).

On Thursday evening, we will continue with any legislation that is still remaining on the Order Paper from the schedule I indicated for Tuesday and Tuesday night.

On Friday, October 22, we will begin the estimates, in committee of supply in the House, of the Ministry of Government Services.

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Cassidy: Mr. Speaker, I want to comment on this bill. There has been a long debate on it and it will go on for a long time in committee and in the course of the clause-by-clause study.

The reason the debate is going to go on for so long is because of the very serious questions which I believe and my party believes have been raised by the bill.

The bill was born in expediency because the government did not know what else it could do, and had no other plans in terms of the economic crisis facing the province.

The bill violates fundamental principles of equity which hit at the heart of the social and political kind of commonwealth that we should be having in the province.

I believe the bill undermines credibility as far as the Conservative Party is concerned. I believe it is rapidly undermining the principle of accountability as far as members of the government party are concerned, and I believe it threatens the credibility of this institution and our effectiveness and legitimacy in terms of providing any kinds of leadership to the province in the difficult times that we face over the course of the next few years.

When I say that the government is acting out of expediency, I am simply looking at the record of what has happened over the course of the summer. Back in March, long before the Treasurer's (Mr. F. S. Miller) budget, it became evident that we were not just into another recession. It became evident that we were facing a sea change in the economic situation.

Yet, when the Treasurer brought his budget down in May, he was not prepared to acknowledge that and made vacuous promises about the kind of upturn that he forecast, with an increase

in jobs over the second half of this year. It did not occur. In fact, the records of the economy in terms of layoffs and shutdowns, which had begun before March and had become much more evident in the course of the spring, has gone on to the point where unemployment is now at double the level it was at the time of the March 1981 election.

But what did the Conservatives do? Nothing. What have they had to offer? What is in their arsenal? What kind of ideas have they had? Nothing. They felt, however, a political drive to be seen to do something. Therefore, working out of expediency over the course of the summer they systematically tore up the promises and pledges they had made to public servants and they came in with the wage control bill that we have in Bill 179.

This is not just a wage control bill directed to one sector of the society alone. It is a bill which is a monument to inequity, a monument to expediency, a monument of bad faith and, I believe, a very damaging bill in terms of what it does to the essential fabric of trust that we need in this province if we are to get out of the difficulties we will be facing over the coming decade.

What has it been worth? The Conservatives got a few headlines. The Premier (Mr. Davis) was able to go to the Conference Board of Canada and say, "Look, we did something." For a while—a week, two weeks, three weeks—it made the government look as though somehow it was on the way.

Before and since the introduction of Bill 179, there has been no other action by the government at all. It is tearing up any kind of goodwill or trust it has from public servants, 500,000 people across the province. It is tearing up the potential to get co-operation from that essential group in our society. It is throwing down the gauntlet as far as working people and trade unions in the province are concerned in general, and showing no leadership at all in terms of any other means of getting this province out of the economic crisis, a crisis to which the leadership of the Conservative Party in Ontario has contributed so much over such a long time.

I believe the bill shows, more than anything else has in a long time, that the Conservative government has decided that when it comes down to a battle between rich and powerful groups on one hand and ordinary working people on the other, it is going to side with the rich and powerful interests in this society.

The federal Liberals have shown much the

same thing. If Dome, Massey, Ford or such corporations come out with their begging bowls, the Conservatives leap to attention and the federal Liberals leap to attention. But if ordinary people are losing their farms, their homes and their businesses, if they have to live on unemployment insurance, if their benefits are running out and nothing else is there, they are told by the Minister of Community and Social Services (Mr. Drea), by the Premier and by the Treasurer that nothing can be done at this time, "We are sorry, but times are tough and government cannot be expected to do everything."

At the same time, the government turns around and says: "In view of the economic situation it is time for us all to pull together and to rediscover the common purpose we had in wartime. This is a war and we have to work together." I find it difficult to see how working people and their representatives in the labour movement can be expected to respond with full hearts. How can they take a slap in the face, a kick in the rear end; how can they take a denial of fundamental rights?

How can they take a statement by the government that, as far as it is concerned, if it is expedient the basic rights that were guaranteed in the Charter of Rights will be taken away from working people? How can working people take that lying down? And then they are expected to turn around and say, "If the government wants to sit us down and have us work together with business in a partnership to get an economic recovery plan, we will be happy to do it." That is very difficult.

It is difficult for people to forget what is being done to them now, just as it was difficult the last time this particular venture was tried at the time of the Anti-Inflation Board in the mid-1970s. That common effort by workers and their representatives, the trade unions, by small business and large corporations, by governments and by people generally to find a route for economic recovery is something we should be trying to find. I have argued many times in this House that we need to put legislative focus on the kind of economic planning we could be having in this province.

We need to face the fact that our situation is fundamentally different from what it was in the 1960s and 1970s. We need to look for new solutions to the fact that Ontario's industrial place in Confederation has been slipping for a number of years. We need to look together for answers to the fact that the nature of industry is changing. Electronics and other new technologies

have been coming in at a rapid rate. We need to face the fact that our resource industries are not linked in a proper manner to ensure that the products we mine or the products cut in this province are processed in Ontario.

We must do all that together. Whether we are talking about doing it through a select committee on economic planning or technological change in the Legislature; or we are talking about a task force that brings together various interests in the economy, it requires a climate of trust and common purpose. I call to members' attention that what has been done over the course of the summer has engendered a climate that is exactly opposite to that.

3:30 p.m.

In his meetings with Sean O'Flynn and representatives of the public service union in the spring, the Premier assured them that they would not be singled out. He made a promise which he has now broken.

Over the course of the spring, the government was contemplating what it might do. In the summer, rumours began to fly that the government was contemplating public sector wage controls. At that time I do not think many people in the public sector realized just how broad the government's net would spread and that 500,000 people would be caught in it so that the government could show the public that it had done something. What it will do for inflation, God knows.

Through that entire time, the government could have been sitting down with representatives of working people in the public and private sectors and saying: "Look, we have some ideas. We want to go in these directions. We think these are things that are essential for the province, and we would like to see whether we cannot get your co-operation."

Did they talk to Sean O'Flynn and bring him into their confidence? No. Did they bring the other public sector unions into their confidence? No. Did they indicate that they were prepared to respect the rights of trade unions? Clearly not. Were they working behind the backs of these workers? Obviously they were.

Instead, they had a task force headed by John Tory, who is a political official in the Premier's office. They met weekly over the course of the summer.

The government keeps telling us what agonies it went through. Agony it may be for them, because they also keep telling us how repugnant it is for them to interfere with free contracts, collective bargaining and all that kind of stuff.

All that is pile of rubbish, because they were prepared to go ahead and take away those rights and to take this action without a by-your-leave to the people who were affected. How government can now turn and say to those very people who do valuable work for the public sector, "We would like to have your co-operation in planning for the 1980s," is beyond me.

If this bill goes through, I do not see what government can do to re-engender any sense of trust, common purpose or good faith in their public servants. Yet, by God, we need that, because we have moved into an economic era that presents challenges not faced by this province and this country since the war.

It is no secret that there are puzzles for western governments. Reaganomics has been found wanting. Thatchernomics, or whatever they call it in Britain, has been found wanting. Governments are facing something of a fiscal crisis because programs undertaken at times of rapid growth are more difficult to pay for when the economy is depressed and when governments do not have as much money to play with as they had a few years ago.

I want to put a positive side to this and look at what has been accomplished over the course of the past 35 years because of the commitments that were made by governments, even by this government, to the idea of full employment and equitable sharing of rising income.

Until about six or seven years ago, that was still the watchword or guidepost for governments in this country. As a consequence of that, we had a prolonged period of superb economic growth with only one or two stretches of high unemployment. It was a period, I am afraid to say, in which we did not have a more equitable distribution of income. Although incomes were rising and people at the bottom of the ladder were able to have at least some share of the rise, that share should have been larger than it was.

Five or six years ago that commitment began to come to an end. It was a quiet kind of termination to the post-war commitment, but now it is becoming quite public. Government people, such as the Treasurer, the Minister of Industry and Trade (Mr. Walker) and the Premier himself, are now going to their friends in the private sector and saying, "There may be some inequities in all this."

The Minister of Labour, who should resign rather than accept what is being done to the constituents he represents in the cabinet, admits that no one really could deem what hospital

workers and similar employees are paid in Ontario today to be a living wage.

Mr. Laughren: The Minister of Labour is doing for labour what Koo Stark is doing for royalty.

Mr. Cassidy: That is right.

But rather than coming to grips with these problems and recognizing that we have to find new ways of ensuring equity, of ensuring equitable distribution of incomes and of sharing sacrifices if sacrifices have to be made, this government is now saying quite openly and quite explicitly that governments no longer can guarantee full employment, rising incomes and that incomes will be equitably shared.

Just a few months ago the federal authorities reported that last year, for the first time since the war, the number of people below the poverty line in this country had increased rather than decreased and that the proportion of people below the poverty line had increased for the first time, I believe, since the war.

As more and more workers run out of unemployment insurance benefits, lose their homes and are forced to go on welfare, as more and more families where there is one worker out of work now go on to two Unemployment Insurance Commission cheques, and perhaps only one UIC cheque and no welfare or anything like that, it is clear that more and more people are going to be driven below the poverty line.

It is also clear that rather than be proud of what has been accomplished in creating a safety net that would help to ensure that people could pay for health and would still have some spending power if misfortune should overtake them, we now have governments in this province and federally that are quite determined to take those safety nets away.

I am appalled at what I hear now, that the federal Liberals are going to take away the universal social programs. I laugh, almost, at the hypocrisy of the federal Tories, who say, "No, you are not going to do it; we are going to oppose it," while their provincial brethren in Ontario, the province where the Conservatives have been strongest for longest, are also looking for ways they can take away universal social programs.

What is it coming to? What it is coming to is a society in which, instead of trying to work together, pull together and co-operate on the basis of good faith and equity, sheer, raw, rank power is going to be what drives this province.

A society that is driven by power alone—and that means political power, held by the Conser-

vatives, and economic power, held by their friends, the kind of people whom the Premier sits down and has lunch with every few days—is a society that fails to acknowledge the contribution that working people make and the rights that every one of its members should have on an inalienable basis because they are its members.

Such a society provokes confrontation and causes people who do not enjoy power, because they cannot get it politically and do not have it economically, to look for other means of having some stake in the society.

We had that at the time of the creation of the trade union movement in this province, which was resisted by the Conservatives and the Liberals of the day, when finally the working people simply went out on the streets and said, "We will not put up with this." They jammed the streets of Windsor to win the right to form unions. They did the same thing in Hamilton to win the right to form a union at Stelco. They did the same thing at General Motors. They used what power was available to them to ensure a more equitable position in society.

I am afraid we could be back to days that are not just like that but where alienation, strife and even violence become a way of life in this society and in this province if the government continues on the track it has now taken, which is that it believes the use of legislative power against a particular group of working people in the province is justified; it believes that, equity or no equity, inalienable rights can be taken away at the stroke of a pen.

I want to talk about equity for a minute, because not only is the bill bad in dealing with some people for one year, two years or three years and because of the fact that it exempts doctors while it brings in hospital workers yet again under the government's iron heel, but also it is fundamentally bad because of what it does with respect to basic human rights. It is not just wrong in law, as my friend the member for Riverdale (Mr. Renwick) argued in his speech the other day, it is morally wrong as well.

3:40 p.m.

A few months ago, I was up on Parliament Hill to participate in the ceremonies to honour the patriation of the Canadian Constitution. The Queen, the Premiers and a selection of the political élite of the country were there. A number of ordinary people from Ottawa came together and thronged Parliament Hill to celebrate what was at least presented to them as a recognition in law of certain inalienable rights that should stand above ordinary laws.

Those rights include, and I quote the Charter of Rights, "Everyone has the following fundamental freedoms . . . freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication." Obviously, one has a bit more of that freedom if one can get a handle on the government's advertising budget in Ontario. The charter also says everybody should have freedom of peaceful assembly and freedom of association.

As to freedom of association, when we pressed to have the specific rights of working people injected into the Charter of Rights, we were told: "Don't worry. Freedom of association includes the right to have a union, the right to form a labour organization, the right to collective bargaining and"—what is fundamental to that as well—"the right to strike."

What happens when it comes to the crunch here in Ontario only four and a half months after the proclamation of the Charter of Rights? What happens is that, if Bill 179 passes, the right to bargain collectively has been taken away at the stroke of a pen from 500,000 public and quasi-public servants in Ontario. Many of those public servants did not have the right to strike to begin with.

What about the right to freedom of speech? They have a right to exercise freedom of speech, but they had better watch out how far they take it. If they take that right too far, what will happen to them is what happened to the federal employee, Neil Fraser, to the forestry employee who raised his concerns with the member for Lake Nipigon (Mr. Stokes) and to a number of other public servants. They will be crushed by their employer if they seek to exercise political rights.

Not only does Bill 179 take away the right of collective bargaining, which is essential to have an effective labour organization, from 500,000 public servants and their unions; not only does it impose without due process the edict or fiat of a board that will be accountable to no man, to no person and to no body; but also the public servants who are affected in many cases will have no recourse or redress in terms of being able to get up publicly or to participate in the political process to try to get back through the political process what is being taken away from them through that process.

Mr. Speaker, we saw what happened when one of your colleagues, and perhaps it was you, kicked out of this Legislature and then excluded for an entire half day, public servants who simply wanted to come here to what should be

the centre of democracy in this province to see what was happening to their rights.

They were told by the office of the Speaker that they could not even look at the people's business being transacted here in this Legislature. They were told that they could not even wear a sweater that identified which organization they happened to come from; that was somehow not permissible.

If Conrad Black had come in wearing the corporate tie of Argus Corp., I am sure he would not have been excluded, because he is part of the cabal running this province. He is the kind of person who enjoys enough power and enough income to be excluded and exempted from the provisions of Bill 179. It is not the Conrad Blacks of this world who are being hit by Bill 179; it is the nursing care workers and day care workers, the ordinary people who provide the essential public services that help to make the quality of life for many people here in Ontario.

The Tories in Ottawa say civil servants should have political rights but, after 39 years here in Ontario, they have yet to implement them. At times, the Liberals in Ontario say civil servants should have political rights—except the member for Ottawa East (Mr. Roy), who opposes them. But when they are in power in Ottawa, they not only impose it but also use the full power of civil service law and regulations to stamp on anybody who has the effrontery to raise his voice to seek justice or to raise questions that are important to him as a citizen.

If equity is violated, and it is, and if little people are being trampled on, and they are, let us consider what would happen if the shoe were on the other foot. Let us suppose we had a tax bill affecting business and only small businesses were hit and big businesses were not. Would that be acceptable within this House? Let us suppose we had a bill that imposed a tax on businesses and only some were hit and others were not, depending on when their fiscal year happened to end. Would that be tolerable in this House? Of course not. If that is the case, then why are the same kinds of things being imposed on trade unions, with arbitrary differences being imposed in the course of Bill 179?

I have been told that I must not speak too long, because this bill will shortly go before a legislative committee. We in this party want to ensure that the working people and other people affected by Bill 179 will be able to comment on the bill. With respect to credibility, accountability and legitimacy, every time the credibility of the government of this province is undermined

by actions such as Bill 179, all of us in this Legislature and in the political system suffer as a consequence. We are seen as being hypocritical. I am afraid it rubs off on every party, even though it begins with the government.

We are seen—and this applies to all of us—as not responding to the needs of the day and as failing to provide leadership in terms of the economic crisis that the province is facing now. We are seen as not having answers, and all of us suffer in terms of the legitimacy of the institution of the provincial parliament.

That is very important, because if the credibility and legitimacy of the provincial parliament continues to decline at the very rapid rate that I have seen it decline over the course of the 10 or 11 years I have been in this place, then other forces will spring up to fill the gap. We are seeing that already as the business groups come along and arrogate to themselves authority that should be exercised by government and specifically within this chamber by the Legislature. We are seeing that vacuum being filled by civil servants who increasingly are acting as though they are not accountable to anybody at the elected level of government, least of all to the opposition and to the majority of the electorate whom we happen to represent in Ontario.

That, I believe, is fundamentally dangerous in terms of the kind of society we will have in this province over the course of the next 10 or 20 years. Society is facing increasing strains. There are cracks in our social fabric. Those cracks in our social fabric are being exacerbated by the actions of the government, not just with respect to what they are doing to public servants with Bill 179 and with respect to what they are doing to the status of women in Ontario, the beggaring of higher education and public education, but also in terms of regional development in my part of the province, in northern Ontario and in many other parts that do not share what prosperity is left here in the Golden Horseshoe of the province.

Those things are realities now. This Legislature has to be seen to be grappling with those problems, coming up with some serious answers and not having its credibility undermined consistently by the expedient actions of a government whose sole purpose in life is to hang on to power, to dole out plums to its friends and appoint people like Donald Irvine and Morley Rosenberg and to keep on that side of the chamber no matter what it does in terms of the future of the province.

3:50 p.m.

I happen to think there are some ideals we all ought to be striving for here in this chamber. I happen to think that when we say we subscribe to a Charter of Rights, we should act as though we mean it and not tear it up at the earliest opportunity.

I happen to believe that working people should have a fundamental and strong influence in terms of the guidance and direction of Ontario, this place I happen to love and respect and have given my life to. I believe that means organizations of working people have to have respect, have to have the confidence of all parties in this Legislature and have to be given their due place in participating in decisions about the direction of the province, rather than being pushed to one side, kicked out the door or thrown over the precipice, which is what is happening under Bill 179.

This is my final point: I believe we in this Legislature have to act as though we are accountable to all those interests in Ontario.

We see the Minister of Labour getting up and doing a Pontius Pilate act, saying, "I do not really like it, and nobody can live on those wages, but we are going to have to go along with it." We hear the Minister of Industry and Trade saying the same kind of thing, "I do not believe in intervention in the private sector or in the life of the economy, but you have to do it now." That is being said again and again, not just by back-benchers on the Conservative side but even by government ministers as well.

When one gets down to it, who over there is accountable? Do the members of the government party not realize that in adopting Bill 179 they are taking that responsibility? They cannot wiggle out of it and say, "I did not like it, but that was what the government had to do." That is the government. It is put over there to exercise responsibility.

Again and again, that is the game they are playing. A member says, "I am sorry they are doing this to my area, but I fought hard in caucus to stop it happening." I am sure there are people like Mr. Ramsay who will go up to the trade unionists in their ridings, saying, "I really fought for you."

The Acting Speaker (Mr. Cousens): The honourable member should refer to ministers by their offices.

Mr. Cassidy: Mr. Speaker, the Minister of Labour will probably say how much worse the bill would have been if he had not been doing his bit within the cabinet. That is rubbish. In failing to accept responsibility, in failing to recognize

they are accountable, those members of the government party and those ministers are doing their bit to undermine the credibility and accountability of government as a whole.

I am afraid Bill 179 is thwarting any effort we could and should be making to try to develop a common approach to tackle the serious economic crisis this province is experiencing. It will leave a legacy of bitterness and mistrust that is going to take many years for us to overcome. It is a misguided piece of legislation. It is inequitable and unfair.

I suggest to the government that it is still not too late to act on the kind of economic program we have put forward, to look for a common purpose here in the province and to tear up Bill 179 rather than let Bill 179 tear up the fabric of labour relations in Ontario.

Mr. Nixon: Mr. Speaker, I have no hesitation in telling you that I will be supporting this bill. One of my major reservations is that it took the government of Ontario so long to come forward with a program. At the same time, I have to say I support the initiative taken by the government of Canada in its so-called six and five program which evidently got through the House of Commons a little more readily than this bill is proceeding through this House.

The last speaker, the member for Ottawa Centre (Mr. Cassidy), talked about the hypocrisy of both the Conservative and Liberal parties, but his federal colleagues have not had the substantial objections to the price and wage restriction legislation that have been displayed by the provincial party.

It is difficult to know just how intense and committed the Socialists are in their opposition to this matter. The federal member for Brant, an NDP member and a very popular one in our area, indicated he did not have a substantial objection. The Brantford Expositor, which has yet to be wrong in 150 years of assiduous and careful reporting of events in the community, indicated he was supporting the whole concept of these restraints in the difficult times we face. His reasonableness and moderation in this matter may account for the fact that the people in the community have continued to support him in spite of the fact that some people have described Mr. Blackburn as a Liberal rather slowed down.

Anyway, it occurs to me that members of this House and of the House of Commons, of whatever party, have to express the views they feel in a matter of this importance and sensitivity. I suppose I speak alone when I say I

personally felt it was a mistake when the government of Canada withdrew the original wage and price restraint legislation enacted in 1975. We were just getting used to it, getting used to the complaints and barkings of certain union leaders—not necessarily working people, but union leaders—and we were finding that we Canadians were improving our situation as compared with those of similar communities in the noncentrally planned world. Frankly, I felt that my Liberal friends in Ottawa made a mistake when they too quickly removed those restraints, which in my view could very well have been left in operation, at least in part, while we saw the changes in the economy that have been taking place.

I have listened to the speeches here, some of them very notable ones indeed, by my leader and by the member for Huron-Middlesex (Mr. Riddell), who, as he explained to us, took a course in economics at the then Ontario Agricultural College in 1954. In spite of that, he made an extremely useful contribution based on a very thorough reading of the materials available in our own library. My own experience with economists and experts is that most of us select and quote those economists and experts who generally agree with our predisposition in this matter.

John Kenneth Galbraith suits me, and he comes from southwestern Ontario. Sometimes he does not speak of the area with the greatest approval now, but he is a worldwide and noted authority and economist, a professor at Harvard and even an involved politician. His view is that the economic dislocations in the world, in the western world particularly, call for the sorts of draconian steps that have been taken reluctantly and belatedly by the government of Canada and now by the government of Ontario.

Particularly after talking to my constituents, many of whom are working farmers and, in the small towns, businessmen, I have no hesitation in saying that they would be very glad indeed if someone would guarantee to them a five per cent increase in their revenues for the coming year. On the contrary, with the depressed prices that the farmers and the small businessmen have to put up with, they are looking for a 25 to 50 per cent reduction.

I suppose over the 20 years I have been listening to the debates in this House as a member, and participating in them, the role of the farmer has been discussed on more than one occasion. I do not believe we have been crying wolf when we have talked about depression in

the farm economy, but it seems to be very difficult to get anybody, even committed and sympathetic colleagues, to listen to the situation the farmers are facing at the present time, let alone complaining about an enforced five per cent increase and the restrictions that go with it. The farmers are facing price reductions in the sale of their crops and price escalations in the cost for their services that are not only traumatic but also disastrous.

At present, a 17-foot combine is operating in my soybean field. The operator, a close personal friend of mine and a fine young farmer, will be charging me \$30 an acre, if I am lucky—that is what it was last year—to do this work. The price of the beans he is harvesting has fallen from about \$10.50 a bushel four years ago to \$5.68 a bushel at noon today—that is, if I sell them. If I get a little fearful about that and put them in storage, I find that the costs of storage have escalated. Since the weather has been damp the beans, instead of being below 14 per cent in moisture, may even be up to 16 or 17 per cent or, God forbid, 18 per cent, which is break-the-bank level, and they will have to be dried down at the elevator at costs that have once again escalated with the increasing costs of petroleum fuel.

4 p.m.

We happen to have about 103 acres of grain corn on our farm. The price there is, I would say, even more disastrous. Three or four years ago we were looking at a solid \$4 a bushel. In fact, it was generally accepted that it should move up from the range of \$5 to \$6 a bushel, and we confidently expected that it would. The price offered at the local elevators at noon today was about \$2.11. Is that about right?

Mr. Riddell: Yes.

Mr. Nixon: That is the price we were getting many years ago before inflation reduced the value of the monetary unit in the way that we have all suffered from.

I can see by the way the Treasurer's (Mr. F. S. Miller) eyelids are drooping that the impression we are making with this sort of thing is what we have found not only in this Legislature but in the community. No one seems to realize the disastrous proportions of this squeeze. If I were to stand in this House and say that those people working for the government or emanations of the government should continue without any controls and with the same procedures that have seen substantial improvements compared to the rest of the community at the taxpayers'

expense, I would personally feel I was irresponsible and that I could not face my constituents.

That is a rather convoluted sentence. To give some meaning to it, I would simply say I have some enthusiasm about supporting these restraints. I am simply concerned that they have been delayed so long. My own observation of governments at both levels is that they do not like to take any action at all until they see that the changes they desire are already beginning to occur. I believe this accounts for the unconscionable delay at the federal and provincial levels in this connection. Instead of the upturn that perhaps might have been predicted or, let us say, shadowed or telegraphed by certain indications, there has just been a continuing problem growing day by day until even these two governments have felt they had to take some action, that they could not continue to sit back and let the marketplace take its course.

I personally wish that the premiers had followed the direct initiative of the government of Canada with the six and five solution, if you want to call it that. I do not have enough confidence in politicians or economists to say that this is clearly the best and only answer. I am not sure what other answers are available, but this was the best the government of Canada could come up with. It would have been a good thing, in my view, if the premiers had set aside their political restraints and constraints and said, "Perhaps there might have been a better, smaller adjustment, but we across Canada are going to see that this applies in our provinces."

If the one New Democratic Party government felt that as a matter of principle it wanted to stay out and reap the advantages of the actions taken by the other governments, that would have been understandable and, I suppose, acceptable in its own way. I simply say again that the NDP in Ottawa has not taken this glassy-eyed position of opposition with all of the drama that has been inserted into the lengthy debate on the part of the NDP in this House.

To tell the truth, I have a high regard for the member for Bellwoods (Mr. McClellan). I thought perhaps the drama of tearing up the contracts in his speech was carried out a little more effectively than it had been by some of his colleagues. I felt that he had worked up quite a head of steam, which came across to me with great sincerity. But when I listen to his argument that we are setting aside all the inalienable rights of the people living in this province, I cannot accept that. I think that we as a Legislature, with responsibilities on a broad base, must take those

actions that benefit the greatest number of our citizens. I confidently feel that at least this restraint initiative is going to have some substantial and positive influence on the economy as we look at the next little while.

There are two things that come from this decision which I believe are essential. The first is that the government not only say that it will enact but be seen to be enacting programs which will reduce its own expenditures, expenditures often entered into in an ill-advised way. At the very moment I am speaking, certain dignitaries from this House and elsewhere are laying the foundation stone for elaborate, new municipal administrative headquarters in the regional municipality of Haldimand-Norfolk.

I have the honour to represent a substantial portion of that area. As a matter of fact, the public building, when it is erected, will be built in my constituency. I want to say something about this because I believe the decision to build it is erroneous—

The Acting Speaker: Does this tie into Bill 179?

Mr. Nixon: You are darned right it does, Mr. Speaker. I am talking about the policy of this government. If they are going to force restraint on the taxpayers and citizens of this province, they have to have programs themselves that are not wasteful and are not seen to be wasteful. For them to proceed with the financing of a new regional headquarters at this time is entirely unsupportable. It is based on the decision made by the Minister of Municipal Affairs and Housing (Mr. Bennett) that somehow or other the commitment to build a new city in southwestern Ontario was correct and the \$60 million already spent on it is not wasted. These remarks are timely because the erection of this building is going forward now and the cornerstone is being laid at this moment.

Mr. Conway: By whom?

Mr. Nixon: I cannot answer the question. I do not even know who is down there, but I know the building would not be under way if it had not been for the policies of the government of Ontario. The whole concept of regional government in Haldimand-Norfolk was wrong and it really should be corrected.

It would be out of order, I would agree with you, Mr. Speaker, if I were to explain the huge problems they have had, not only in municipal but in educational jurisdiction, because of the thoughtless approach by the so-called visionaries of the Conservative government over the last

few years. There is no doubt that one of the results was the defeat of Jim Allan, the former Treasurer. The area is well represented by my colleague the member for Haldimand-Norfolk (Mr. G. I. Miller), who is perhaps at this very moment attending the ceremony that is within a few miles of his own farm.

I do want to tell members what has happened to the hard-earned dollars from the taxpayers which have been wastefully funnelled into this program and what is prepared to be put before us by the government as its policy gradually changes in this connection. They went to Haldimand-Norfolk and they said: "We have got to do something about this city of Nanticoke. We have \$60 million invested in it, we have had full-page ads from one end of the province to the other, we have had all the jingles that the very best Tory proponents could buy for the furtherance of this particular scheme and we cannot get anybody to move down there."

I believe a total of 79 people are now resident in this city which was by now, according to the best-laid plans of the Tories, supposed to have a population of about 12,000. I tell you, Mr. Speaker, or anybody else, you should drive down there and see what we have bought for ourselves. We have lighted tennis courts, a new municipal centre, and a lake that has been created by the hand of man, not by the hand of God. The steps have been built leading down into this lake which looks as if it is for a mass baptism of those unfaithful who will get the message some time in the future. There is a shopping centre now with one variety store open under restricted hours and one drug store with one light burning over the prescription counter. There is nobody there. It is like science fiction, what we have wrought and what we have brought with public funds.

I see a former Minister of Housing, Don Irvine, sitting in the back row. I am not prepared to make a speech criticizing him personally in this regard, but I do recall at one stage there was some thought that about half a township, just north of where he lived, was going to be one of the industrial centres of the western world. They have brought their sights down slightly. I am not sure whether it was Don personally or somebody else who went out and planted poplar trees in that property.

They tried to turn the South Cayuga property they bought into a liquid waste dump but, thank God, Dr. Chant, of whom at one stage I was fairly critical in this regard, said that was not a

suitable site, and that property stands there not being utilized.

4:10 p.m.

To go back to the headquarters of the new city: The one last bit of that ridiculous policy entered into at almost unfathomable expense still persists. In order to make that particular project have some impact on the community, the Minister of Municipal Affairs and Housing, who is not in this House now—actually, he rarely is—has said to them: “We will give you the land. We will provide you with the plans. We will give you the money at 11 per cent.” That was when the going rate was something like 22 or 23 per cent. “We will undertake to rent offices in the new building for our many important provincial local emanations that are so necessary. As for the buildings you leave behind that we are using now, we will certainly assist in every way we possibly can to see that those are utilized to your benefit.”

How could the local council resist that sort of thing? The aim of the minister was to make this city into an important centre. It is not going to happen. If even a quarter of the money had been spent in the development of the surrounding communities, such as the towns of Waterford, Simcoe, Port Dover and Jarvis, to assist them to provide the services for a reasonable expansion in the population, that would have been something useful for that particular area of south-western Ontario. Instead of that, we have pumped unlimited funds into this grandiose vision, so-called, of the Conservative Party in Ontario, which I believe has been ill-advised and wrong-headed.

It has been ill-advised because the experts said to the ministers, “The population is going to throng down there.” Such was not the case. We now have operating there the largest thermal hydro plant in the western world. Stelco has now completed nearby the most modern steel plant, I presume, in the world. Still the tremendous expansion of the work force has not taken place. The people are not following the lead of the government. They are moving into the various communities around and about that are solid, that are settled, that have churches and schools with room in them. The roads are built and the communities are established. That is what the people want and they have really turned this down.

I believe the new town of Townsend, because of this tremendous commitment of funds, is there to stay. Perhaps by the time the next Liberal administration in the province has been

in office a decade or so it will be an established town. I will say it is a beautiful rural location. The money has bought very fine buildings and streets. The homes are well designed, but it is such an artificial concept that it is certainly an indication of the wastefulness of the government of Ontario at this time.

The local councillors, I believe, are not to be faulted. After all, we have imposed on them a local government constitution in the regional bill that was passed over the objections of the Liberal Party and against the votes of the opposition. They have been given a constitution that has meant local government has become expensive and remote and it continues to be unpopular.

I want to say something further about other expenditures which we really have to bring under control. If we are prepared to have these people coming under the jurisdiction of Bill 179, which I hold in my hand, we certainly have at the same time to make sure their costs are going to be controlled in some reasonable way as well. There is no reason at all why school boards and municipalities cannot have imposed on them a spending limit during the next year which, if it is not five per cent, at least is no more than 7.5 per cent to eight per cent. After all, we have assumed responsibility for any increases in the wages they must pay. That is a tremendous and important part of their overall budget. Surely the parent government can insist, as far as they are concerned, that for at least one year it will provide relief from the inflationary pressures through the tax bills that have been so much a part of municipal taxes and school board taxes.

Both the municipalities and the school boards have suffered from unnecessary and unusual pressures as the province, in trying to reduce its expenditure, at the same time loaded more and more of these responsibilities on the local boards. So there has to be a sharing of planning and responsibility, I hope over more than a year, but at least during the period that is established for this bill.

I can well recall the election campaign of 1977 when our good friend and former leader Stuart Smith put forward a very strong position that could not be argued against by any reasonable person. He said if we were going to control inflation, we had to set a limit on our expenditures, both provincially and locally, of eight per cent, which was the figure at that time. If that had been accepted in this province, it would have provided leadership for the rest of the country as well because it could have been

done. It could have been a procedure whereby these restraints might have been applied well in advance of the emergencies we now face.

As far as Ontario Hydro itself is concerned—I mentioned it briefly a moment ago—it should certainly come under the jurisdiction of this bill. Ontario Hydro has applied for an increase in its rate of something slightly in excess of 13 per cent. Extremely useful hearings before the Ontario Energy Board have brought forward arguments that have resulted in an approval of an increase of approximately eight per cent.

If one reads the context of and the information supporting those hearings, it is evident that at least for the next year it is quite possible that the government of Ontario, supported by this Legislature, may very well bring Hydro under the jurisdiction of this restraint legislation and see that their rates do not go up by more than five per cent. I would hope this would last for more than a year.

It is true that the substantial cost to Ontario Hydro is a result of the huge amounts borrowed outside this country at very high interest rates. We are in a position to criticize that on more scores than one, particularly since the result of borrowing all that money has left us with an oversupply of electricity, which will be around 50 per cent during this restraint period.

I would like to say something about the decision to route energy from the Bruce generating plant to southwestern Ontario, which I mentioned in question period today. It is a clear indication of how government policy has allowed Hydro costs to run out of control. Mr. Speaker, I know from the glitter in your eye and the upward mobility that accompanies your political activity that you may look forward some day to ordering the business either of the government of Ontario or Ontario Hydro. But suppose you had one of the largest nuclear plants in the world in the Bruce Peninsula—

Mr. Conway: Yes, Darlington.

Mr. Nixon: He may have Darlington.

It was important that the power come down into southwestern Ontario in the London area. I do not think you, Mr. Speaker, being the hardheaded person I know you to be, would have any difficulty in seeing that the power got down there at the lowest public expense consistent with the preservation of those priorities we must establish for saving farm land. But we see now that that power, at great expense and with additional time for all sorts of hearings and construction, is going to be taken across to Barrie and down to Milton, and then it is going

to be divided, part of it going down to Middleport and across to London along the lake and the rest of it going along Highway 401 to London.

The argument can be made that perhaps we are completing some sort of a grid. But if we accept the aim that the power must go down to southwestern Ontario, we can see the problem any moderate, reasonably sensible person would have in looking at this solution, particularly when we see that the section along Highway 401 was never part of the original proposal from Hydro and was never brought to the attention of the communities or property holders along that route.

All of a sudden they hear that the joint hearing board has decided the line should go along Highway 401. They do not have a chance to appear. They do not have the chance to come with handfuls of their own soil and say, "This is as good as the soil somewhere else in the province." As a matter of fact, it has been approved by cabinet now, but the Premier (Mr. Davis) said in response to my question today that the local property owners will have input.

Mr. Stokes: And you could use all this money to pay underpaid hospital workers.

Mr. Nixon: If I may just complete my sentence, the Premier has said the local citizens will have an opportunity at least to advise on the exact location of the line. Of course that is so, but if a decision is made that the line will go through a corridor along Highway 401, it simply means that the citizens and property owners in the area have been denied any opportunity for input. This decision has been made by the Premier and his colleagues in the cabinet in consultation—I almost used the word "collusion"—with Hydro and its chairman, whose connection is well known as far as the Premier is concerned.

4:20 p.m.

Hydro must come under the provisions of this restraint. I believe this is essential if we are going to be able to go to our citizens and say, "Yes, there are difficult areas that are objectionable in many respects, but at least we are trying to make it fair for all concerned so that at least these emanations of government, the municipalities and Hydro, are going to be restrained in the same way." After all, the government of Canada has applied its restraint to Bell Canada. They have objected, but I do not hear the NDP moaning about the loss of their rights and that sort of thing. I think under these circumstances if the governments at the two levels are going to

take this position, it must be seen to affect as broad a spectrum in the community as it possibly can.

One aspect where the government has undertaken to raise some more money is to be found in the recently heard announcement that it is going to divest itself of its large land bank. They are going to turn that land into cash to assist in at least a reduction of the deficit and in the payment of programs approved by the government with the power granted to them by this House.

There is a problem. I hear them saying on the radio all the time, "At least the government should sell this land back to the original owners at the same price it paid some years ago." It is so preposterous it just makes me weep because any farmer who bought back that land at that price would simply be foolish. The price of farm land in this province is sinking so rapidly that I would suggest that the actual market price of that land is somewhere between 60 and 75 per cent less than the amount the government paid for it. Admittedly, they paid at inflated rates when they acquired the land a decade ago.

There are other farmers who might have a different opinion. Our own particular farming area has a lot of class 1 land, although sometimes the slopes get a little steep for class 1, but it is good land which many of my neighbours over the years, the last decade, have felt was worth about \$2,000 an acre. When we could get a rich lawyer from Toronto to come up and buy some rocky farm with a stream running through it, some of it was worth much more—not to grow anything of course, but to sit around and admire the horses chomping away on the weeds. Right now, even the good farm land is not moving. I would suggest that the going price is considerably below \$1,000—in fact, around \$800—and nobody is buying it. With the interest rates coming down, there is a glimmer of hope.

Most of the people look at the activity in the stock market as the best indication that our economy is coming out of the gloom and doom. It must be my Methodist background, but if activity in the stock market is an indication of the revitalization of our community, then heaven help us. I just do not believe it is any sort of an indication of anything other than profit-taking by all the little striped-pants Tories who have been running up and down Bay Street worrying about their revenues and incomes over the years. I just think it is completely artificial.

Every night I turn on the news and here is the hero of the Premier, President Reagan, with

tears in his eyes announcing that the stock market has burst through some bloody limit or other. If this is the basis of the salvation of our society, once again heaven help us. I do not believe it is. I think it is misleading. I believe that until we get a much healthier approach to the economy our salvation is not yet in sight.

The government is going to divest itself of this land bank. Really, what they have done is they have bought the land dear, and if they sell it they are going to be selling it relatively cheap. My dad always said, "If you are in business, the idea is to buy cheap and sell dear." It looks to me as if the government of Ontario, for generations vaunted for its business acumen, is simply going to wash out the taxpayers at both ends of that deal. It really means that their judgement has been atrociously bad in the acquisition of the land, for which there was no known practical use whatsoever, and the sale of the land is now forced on them by an economic situation which is almost out of control.

I believe their decisions have been bad at both ends. Believe me, governments must own land. It has been essential in the times of rapid development that the government had to own parcels of land to assist at least in the control of the development of certain urban areas. I have never objected to the government's acquiring industrial sites and servicing those sites so that it could, with a plan for the whole province, indicate where the growth should occur.

This government has even drawn back from that with the sort of third-rate vision that Treasurers, now and formerly, have been inflicting on us when they have purchased large tracts of land with no known use except for good farm operations. The sooner it is returned to that, the better. If it is actually to the benefit of some of the farmers in my constituency, so be it. It has been a long time since they have had any kind of a break from this government.

I would like also to talk briefly about one other aspect of the bill that does concern me. I have indicated my support in principle, but having read the bill carefully, particularly with its provision for the so-called Inflation Restraint Board, it appears that there is an area there which members on all sides must move to amend. The powers given the board are those which I do not believe are sufficiently rooted in our democratic traditions to be allowed to stand. The idea of a board or any one of its designated members having the power to make such powerful, draconian decisions involving individual aspects of wage control simply does

not rest properly with our understanding of the democratic responsibility involved in this bill.

There has to be a procedure for hearings, which I believe to be essential, and there has to be a procedure for some means of appeal. Perhaps it can be built in so that this appeal will not necessarily be dragged out to defeat the aim of the bill and the principle of the bill and the board that it creates. The way it is established now, particularly in the wording of those sections which indicate that the chairman may designate any member of the board to have these powers individually, is certainly not acceptable to me. I know that my colleagues, who are more knowledgeable and more involved in this matter, are at this time preparing the sorts of amendments which we believe are going to be essential to make this bill useful and workable and as fair as it can be.

I have one other item I want to deal with. At the same time as we are moving to restrain these various upward pressures on the economy, not only must the government of the day be seen to be controlling its own expenses and using its powers to control the expenses that our people face municipally through their school boards and in using government services such as Hydro, but there must be a program to provide at least some initiative for job creation where none exists provincially at the present time.

I see my colleague the member for Brantford (Mr. Gillies) is in his place. He has certainly commanded a good deal of attention in recent days and months. I was particularly interested in his defence of the patronage system yesterday. I had the great pleasure of attending the committee meeting and hearing my friend the member for Renfrew North (Mr. Conway) being somewhat critical of the decision of the government to appoint a certain former candidate to a high position. I could not believe my ears when I heard the member for Brantford say that really is the way government works and that we had to accept it and we could not blame the Premier or Mr. Goodman or Mr. Rosenberg for the mess they have got themselves into.

Interjections.

Mr. Nixon: We will see how that one works out. I would say that the member for Brantford has another responsibility besides being present, as he is most of the time in the House, and that is some sort of footling responsibility in connection with the Provincial Secretary for Social Development (Mrs. Birch)—

Mr. Conway: What kind of relationship? You had better run that one by us again.

Mr. Nixon: —for youth unemployment or youth employment. I forget the name of the thing, but he keeps me informed and I do appreciate being kept informed. The nice thing is that some of the advantages of that program are accruing to Brantford by coincidence. We certainly appreciate the fact that from time to time there are certain provincial funds made available for specific areas of employment. The more of that we get, the better it is.

4:30 p.m.

I believe it is the perfect time for the government of Ontario to come forward with a properly ordered program to use our funds and our undoubted authority to make work in this province. The only program we have of any significance is the federal one known as the industry and labour adjustment program, ILAP.

I have here an ad from the *Globe and Mail* for Friday, October 8, which is a good one. It is paid for by the city of Brantford, not by anyone down here that I know of.

It says: "Industrial expansion can be profitable...when you locate in Brantford, Ont.

"Industry is now eligible for up to 50 per cent of total capital costs and preproduction expenses through interest-free loan contributions, 75 per cent of total consulting costs in the form of grant contributions.

"These benefits plus many more are available to you through ILAP, federal industry and labour adjustment program."

The government of Canada did not put in this ad, although it may have had some small role to play in the advertisement, I do not know. There is a nice picture of the overall configuration of that great city of Brantford, part of which I represent, indicating what is available and what should be done.

The idea is that the federal government, much vilified in this House through ignorance, has provided a well-funded program which is designated and which is designed to assist many areas of this province, including Brantford and any other town that can possibly get the designation. They have a program that works.

Mr. Stokes: A Liberal is a Liberal.

Mr. McClellan: Unless it's an albatross.

Mr. Nixon: If a Liberal is a Liberal; I do not know what the Minister of Finance is, but he has to do something to assist an overall approach to providing jobs.

I remember distinctly, during the debate that established the new ministry at present headed by the member for London South, who is so engrossed in this debate, that there is a section in the new Ministry of Industry and Trade which clearly gives him the power to distribute funds made available from the Treasurer of Ontario for programs to stimulate employment and economic growth.

This is not sufficiently being carried out through the Ontario Development Corp., the Northern Ontario Development Corp., the Eastern Ontario Development Corp. and all the rest of those programs that have proliferated. We have to have some new initiative which in my view should be designed substantially to back up the ILAP program as it is established in Canada and as it is in effect in Ontario.

One of the things I heard recently that made a small shiver run up my back was the response, evidently from federal politicians, to the figures that are perhaps the most damning. The figure is the rate of youth unemployment in Canada and particularly in Ontario. Not being a statistician, I am not going to bore the House further by talking about the numbers, but it is believed that the level of unemployment for people under age 25 ranges up to about 30 per cent.

I heard on the news this morning there was a possibility the government of Canada was going to establish a series of major camps. There is no adjective on the "camp." I am sure, if they go forward with it, there will be adjectives used.

Mr. Stokes: We had those camps during the Depression; \$10 a month under the Liberals and \$5 a month under the Conservatives.

Mr. Kerrio: And nothing under the Socialists.

Mr. Nixon: I am not sure whether the member for Lake Nipigon figures that is what gave him his start or not.

I hope we are not going to be driven by economic exigencies to establish some sort of a camp system. That does not mean there is not some possibility for Ontario, however, to take an initiative in youth employment which really would be acceptable.

One of the best programs we have ever had, it seems to me, has been the Junior Ranger program. I do not think there is any doubt about that.

There have been some awful things happen, I cannot go by without recalling there have been some very terrible accidents and things like that; but in general, leaving all that stuff aside, the idea of young people—to begin with young

men, and finally young women were involved as well—going out and working for the province under suitable supervision, getting a chance to work in the north and in our parks system, has been an excellent concept. There is certainly no criticism levelled at it as far as I am concerned.

I think that concept may well have to be dramatically expanded. If 30 per cent of our people under 25 have nothing to do, then obviously we have to take whatever action is necessary and make available whatever resources are necessary to see that is corrected.

If this is going to come under the jurisdiction of the member for Brantford, I may have to amend my enthusiastic support, but if he is involved I have no objection. I do believe we could expand the concept of youth employment in government programs. It would be far better to be done otherwise, as it has been in the past, so that young people will know they have an opportunity upon the completion of their education to move out into some sort of community service where they will have an opportunity to use not only their academic training, but also the tremendous enthusiasm and commitment to community service that is so much a part of young people and that is so readily and quickly lost by those of us rapidly receding from that classification.

I hope a youth employment program will be one of the major initiatives that the Treasurer surely will announce in a package of initiatives he cannot resist much longer. I know he does his best thinking when he is jogging around Queen's Park. I should tell him I am thinking of replacing my Citation with a new car, so if he is going to take the sales tax off before Christmas, will he wink his left eye and wiggle his right ear? The last thing I want to do is pay sales tax today and find my good friend taking it off tomorrow. That might be sufficient stimulus for him to do so.

But we are not here to discuss how useful those initiatives are. I simply say that the Treasurer somehow has taken to himself all the initiative for establishing programs that might encourage the economy and beef up the work force.

I think that within the next few days, or at the most the next few weeks, there has to be a substantial program set down point by point that will work in conjunction with this restraint bill and that is designed to improve the employment situation, particularly among our young people. The very thought that we are going to have some sort of work camps established in which people are going to do exercise and study

history, which is the prospect that came over the CBC this morning, does not fill me with enthusiasm. I think the sooner the province builds on its already successful initiative in this regard, the better it will be for all of us.

The last point I want to make—you will be glad to know, Mr. Speaker—has to do with certain other responsibilities that continue even in this time of restraint. I was very impressed to read reports of a cabinet document indicating that the payments to welfare recipients—that is not the proper term—the unfortunate people in our community who are assisted by government programs, have fallen far behind the basic needs even as calculated by the most conservative and hard-hearted Minister of Community and Social Services (Mr. Drea), whom I call the minister of public welfare and who is now entering the House.

I happen to think that minister must have considerable clout in the cabinet and I believe we must be sure as members in this House that even a small part of the moneys we require for these programs is not squeezed out of the programs that are so essential to the people in the community who cannot look after themselves. We can argue this one way and another but, as far as we on this side are concerned, it is essential that the minister not back up from the requirements. I am losing my confidence in him in this regard. He is acting like an old mossback Tory, like some of his predecessors in this.

There has to be somebody over there with a heart, and I am not so sure his is still warm and beating. He may have been seized by the kind of political enthusiasm that has so stultified the abilities of some of the people sitting near him. After all, he has the responsibility to serve that particular constituency and sell the programs not only to his cabinet colleagues but also to the people in this House. We need a lot more action from him than we have been receiving.

There has been a lot of defence with gusto—brio, as we say in South Dumfries—of the indefensible. I would certainly like to see him come forward with some initiatives that may even get him a bad editorial in some of the Conservative press. Even Worthington might not like it, and if he does not like it, it has got to be right.

4:40 p.m.

The other area where we must consider using our funds is certainly in providing the sort of education which has become atrophied in this province. The member for Brantford knows as well as I that our community has been passed

over time and again by the government of Ontario in the provision of the sort of education that would give our young people a chance for training and retraining, which in turn would give the kind of stimulation to Brantford that would remove it from its present category. There is a clear and unrefuted report that the young people in Brantford and Brant county utilize post-secondary education facilities, community colleges and universities far less than any other community of a comparable size in Ontario.

Mr. Breithaupt: Shame.

Mr. Nixon: My honourable colleague from Kitchener says “shame”; and well he might, since his city has two universities and a community college. I do not begrudge him that, of course. I simply call to your attention, Mr. Speaker, the inequity with which Conservative governments in the past have distributed the extremely important dollars for post-secondary education. These have so far evaded the city of Brantford.

There are those here who would say, “Of course, with Makarchuk there, how could you get anything?” That is unfair. By the way, my New Democratic Party colleagues will be glad to know that Mr. Makarchuk has announced his candidacy in the next municipal election and is beginning the long road back to rejoining the NDP caucus here at Queen’s Park. I know that will fill their hearts with gladness, and I thought they should be among the first to know.

Mr. J. A. Reed: An old pal of Morley’s, a close friend of Morley’s. Are you sure he is not going to the OMB?

Mr. Nixon: Well, it is quite clear, even when we had Liberal and Conservative representation, the honourable Dick Beckett, formerly a cabinet minister here, was not able to squeeze anything out of his colleagues either. But the statistics show that the young people in our area have really suffered from the inadequacies of the education system.

I know the member for Brantford, the federal member and myself, representing all three parties, are at one in this matter. If there is an area where this provincial government could have an impact on the situation in Brantford, it is in the expansion of post-secondary facilities, which are so seriously needed. They do not have to be just a cloning of all the wastefulness that has been the earmark of the provision of educational facilities by this government in the past. Surely, with the pressures we are subject to, economic and otherwise, we can come up with

an innovative approach to practical additional education in our community that will give our work force the special advantage it needs in a community which has suffered so much over recent years.

In that connection, I return to my original point. You were not in your chair, Mr. Speaker, but I will not repeat it: I simply say to you with all the strength that I command, which is not enough to make a proper impact on this House, the farm community is no more in a position to go out and buy a combine this fall than it is to buy a Rolls-Royce and drive to Florida. It is one tough situation, and those farmers do not have a nickel to buy a hoe let alone to go out and buy a \$150,000 combine.

As long as that is the case, the situation in Brantford is going to continue to be disastrous. I do not have the nerve to suggest that the solution to our economic difficulties lies in finding money for farmers, but that is a part of it. Our work force and our young people in the Brantford area and the Brant county area have suffered for a long time. The statistics are there. We are not just calling for another plum for home base; far from it. You should all be aware that for reasons that are really difficult to understand the community of Brantford has not had these facilities. The statistics clearly show that our young people have not had the advantages of continuing education.

Again I say that I am sorry this government and the government of Canada were so slow in coming up with an economic answer to the situation we are facing in this nation. I have no difficulty at all in facing my constituents who are critical of my support of this legislation, since a vast majority of our people would be delighted to receive a five per cent increase in their revenues rather than the dramatic losses they face.

I look forward to hearing of the work in the committee when various groups, including, I am sure, some farmers from our own area, come in to express their views to the members of the standing committee on administration of justice during the hearings that will begin next Tuesday. I believe they will be important. Frankly, I am glad that the operative date of this bill is retroactive so we are not going to be able to delay the effect of the kind of restraint which I believe this province has long needed.

The Deputy Speaker: Just before the member for Hamilton Mountain (Mr. Charlton) begins, am I hearing loud music in the chamber?

Mr. Elston: It was brought on by the fine speech from the member for Brant-Oxford-Norfolk.

Mr. Sweeney: Heavenly music.

The Deputy Speaker: Is that beyond our control?

Mr. Conway: It is my understanding that it is about Bill 127. They have come to sing a Te Deum to the Minister of Education (Miss Stephenson).

The Deputy Speaker: The member for Hamilton Mountain.

Hon. Mr. Drea: Mr. Speaker, since the member raised some questions, may I answer his questions by saying I give him my word.

Mr. McClellan: I've heard that one before.

Hon. Mr. Drea: What does that mean?

Mr. Charlton: Thank you, Mr. Speaker. At the beginning of my speech it seems I have to pick up on the closing comments of the member for Brant-Oxford-Norfolk (Mr. Nixon). He suggested in his closing lines—and I will not attempt to quote him exactly—that he was a bit sorry it had taken the governments, both at the senior level and at this level, so long to come up with economic solutions. Unfortunately, he is a slight bit ahead of himself because it does not appear to most of the people I have talked to in this province that either level is even close to any economic solutions. I will talk a little bit about that during the course of my speech.

I shall be speaking for a considerably shorter period than I had originally intended. However, I will be sure to honour all honourable members with the remainder of my remarks on third reading of this bill.

I am glad that the Treasurer (Mr. F. S. Miller) is with us this afternoon and particularly glad that my colleague from Brant-Oxford-Norfolk is with us because a number of the things I will be discussing this afternoon he and I have discussed in the past. It has been an interesting debate. It is not a happy debate for very many of us, but many interesting things have become very clear during the debate.

One that has been very significant to me is the way in which the members of the government party and the members of the Liberal Party have chosen, in their contributions to this debate, to turn and speak to this party over here. It is nice to understand that the coalition between these two parties is finally clear in their minds at least, and that the fact the New Democratic Party in

this Legislature is the only real opposition is very clear in their minds at long last.

Mr. Sweeney: That's sanctimonious balderdash.

The Deputy Speaker: The member for Hamilton Mountain.

Mr. Charlton: Mr. Speaker, the Premier (Mr. Davis) and the Treasurer have said, both in their opening statements on this bill and again this afternoon at the end of a long series of repetitions of the same pronouncements about the intent of this bill, that the bill is to reduce inflation. The Premier said this afternoon, and has said a number of times over the course of the last few weeks, the bill is to create jobs not to reduce jobs, and to set that example, to create that symbol. I want to talk about all three of those aspects this afternoon: inflation, jobs and the matter of symbols in our society in its present economic straits.

I am sorry the Minister of Community and Social Services (Mr. Drea) has left—he was here a few minutes ago—because I would like to start by dealing with the minister's remarks on this bill some two weeks ago, on September 28 I believe, during which he accused this party of having nothing to add to this debate and said there were no ideas coming out of this caucus. I seem to recall—and I am not going to read them into the record—a rather lengthy list of specific proposals that were put forward by the member for Port Arthur (Mr. Foulds) and the member for Windsor-Riverside (Mr. Cooke) in the first two speeches from this caucus.

4:50 p.m.

However, the minister went on to say, and I am going to read one paragraph into the record, "In this restraint period there is obviously going to have to be, not only in consultation with the province and the federal government but also with the municipal sector and the private social agencies, a very new and very significant approach to what is going to be required in the totality of the social order, not only in this decade but also in the decade ending this century." He goes on to refer to the start of the new approach that this government, supported by the Liberal Party, is proposing in this bill.

There is no new approach being made with this bill; there is absolutely nothing new about this bill. As a matter of fact, history records the very first political debate on the issue of restraining public sector wages was in the fourth century AD in the senate of the Roman empire. I should point out that this was only a few short years before the total collapse of the Roman

empire. But that government in the fourth century AD, because of its economic mismanagement, chose to try to make scapegoats of its public servants, just as this government is doing some 2,000 years later.

I should also point out that although I did not have the time to assess the historical record of all of the occasions when this kind of approach to an economic crisis has been taken, several thousand instances are recorded in history. It is interesting to note that history—not the politicians of the time, but history—records in every single case I was able to find that this approach to economic crisis was a total and dismal failure: no success in reducing inflation or in reducing the cost of public administration; no success in the rebuilding of the economy, which was the stated intent of all of those historically recorded events. So I think this is a good place to start: with the comment from the government that this is an innovative approach. It is a very old and worn-out approach with a very bad record of success.

I want to move to some comments made by the member for Waterloo North (Mr. Epp) in his remarks in this debate, also about two weeks ago. On September 30 he started his comments by criticizing a whole range of the different sections in this bill. He said, "The program is inequitable" several times when he was referring to a whole range of sections; I will not go through it all.

I just wanted to make the point that in running through his list of times when "The program is inequitable," one of my colleagues, and I cannot recall which one, interjected rather loudly, "Why, then, are you supporting this bill?" The member for Waterloo North did not respond to that interjection, but, fortunately for those who happened to be sitting in the west gallery that evening, four members of the Liberal caucus spontaneously turned around in response to that interjection and all four of them said, "Nobody knows." That speaks to the specific and substantive ability of this government to deal, through this bill, with the economic crisis in Canada and in Ontario. "Why are you supporting this bill?" "Nobody knows."

That brings me to the one of the three points I mentioned: the symbol. The government has suggested, and several members of the Liberal caucus have concurred, that this bill has to create a symbol, an example for the people in Ontario about what it is we have to accomplish in order to deal with inflation.

The Prime Minister of Canada, the former

Minister of Finance of Canada, the present Minister of Finance of Canada, the Premier of Ontario and the Treasurer of Ontario all have suggested at one time or another over the course of the last few months that working people in Canada have had expectations which were too high.

Quite clearly, that is reflected in this piece of legislation they have brought in. Their feeling is that working people in the public sector in Ontario have set their expectations too high. But let us talk about symbols for working people in Canada, the symbols which set the tone and the direction of their wage demands.

During the course of this debate, a number of my colleagues referred to some corporate executives and the dollars they were making. I think my colleagues on the other side of the House in the Liberal Party missed the point because they talked in terms of dollars. This piece of legislation talks in terms of percentages. Just so we can equate what is being asked of the public service in Ontario with what is happening elsewhere in our economy, I should talk about some of these people in percentage terms.

There is Mr. David M. Culver, president and chief executive officer of Alcan, who in 1980 was earning \$467,000. He took a raise which in 1981 raised his salary to \$530,000, a 13.6 per cent increase. That is not bad; working people have been asking for about that range as well.

That is about the highest percentage level that any working person in Ontario has received in any set of negotiations I am aware of, except for a couple of public sector negotiations where people were making \$8,500 working for the Hamilton and District Association for the Mentally Retarded. They did get some settlements in the last couple of years which were slightly higher than that.

But for working people who are making average or above average incomes, that is about the highest increase they could have possibly have obtained in the last couple of years. Unfortunately, it is the lowest I can find on this list of corporate executive increases.

Mr. Stokes: What was the dollar increase on that?

Mr. Charlton: The dollar increase was \$70,000 in one year.

Mr. Stokes: That would pay about seven of those association employees.

Mr. Charlton: It would pay seven to eight of those people who work for the Hamilton and District Association for the Mentally Retarded,

dealing with our retarded children and retarded adults.

There is Mr. Welty, the president and chief executive officer of Asamera Oil. Between 1980 and 1981 he took a 40 per cent increase for himself, but the expectations of working people are too high if they go for 11, 12 or 13 per cent in trying to match the cost of living.

I will not run through them all, but I want to give a clear indication of what we are asking of the public service in Ontario.

5 p.m.

We have one Mr. Cooper, director and consultant to Falconbridge, who took a 90 per cent increase for himself in one year between 1980 and 1981.

We have here another person, a gentleman called Mr. Bronfman, chairman and chief executive officer of the Seagram Co. Ltd. Between 1980 and 1981 he took an increase of 122 per cent for himself.

These are the very industrialists who are telling the governments, both federal and provincial, that if we want economic recovery, if we want to be competitive in the world economy, they are going to have to ask the working people of Canada to restrain themselves.

These are the symbols that are being set up for the working people of Canada. This is the kind of symbol of restraint that has created the economic problems we have. These are the people with no conscience except for the profits of their companies. They have no conscience whatsoever for the welfare and wellbeing of working families, both in the public sector and in the private sector right across this country.

These are the people who have asked for and have gotten restraint, which is mandatory for the public sector. Together, the governments and industries are applying substantial pressure to see that this restraint approach restricts the wages of public and private sector working people across Canada.

With that kind of symbol in place and with that kind of example set for him, what working man whose mortgage doubles or whose heating bill goes up by one third as a result of the national energy program, or whose car collapses and he has to think about borrowing money to go out and buy a new car, is going to listen to this so-called symbol that the Treasurer presents to us here when he suggests that the \$17,000-a-year public employee has to carry the cost of economic recovery on his back? Nobody anywhere can justify that kind of approach to recovery.

I want to wrap up my remarks today with some comments about the small business sector.

I do not know exactly how long the vicious competition has been going on between the Conservative government and the Liberal Party in this province about who really represents the best interests of small business. I do not know how long that debate has been going on, but it certainly has been going on in a very vicious way for the five years that I have been here, with the Tories on one day and the Liberals on the next day chanting their support for the small business sector and their understanding of its problems.

I took the time during the three weeks since this bill was introduced to commence a canvass of small businesses in my constituency. I should point out to the Treasurer that some 90 per cent of the small businesses I canvassed were operated by those who had professed in the past to be supporters of the Conservative Party. I should add that many of them no longer are supporters as a result of the actions of this government over the course of the past year. But 90 per cent of them voted for the Conservative government in the last election.

I cannot go through all the detail and all the comments those small businessmen made to me about this restraint program. I do not have time. I will impart those that I cannot impart today to the members of this august assembly on third reading of this bill. But there are a number of points I want to make about the comments those small businessmen made to me.

I spent about half an hour with each of 22 small businessmen in my riding. I intend to continue this canvass over the course of the next month or month and a half while the debate on this bill continues in committee and into third reading.

The 22 small business people I talked to included operators of variety stores, shoe stores, butcher shops, men's and women's clothing stores, a hardware store, a small independent vacuum cleaner store and repair shop, a tobacco shop, a bookstore—and a small car dealership, believe it or not; I threw that one in just for the Treasurer.

Mr. Samis: A small car dealership?

Mr. Charlton: Yes, a small car dealership. I wanted to keep it totally independent of the multinationals.

At any rate, 18 of the 22 business people I talked to, or more than 80 per cent, said firmly that this restraint package would do nothing to deal with the problems their businesses are confronting. I asked them what these major

problems were. The first and foremost problem all 18 related to me was reduced sales, ranging all the way from 30 per cent to 50 per cent. The second problem all 18 of them hit on was interest rates.

Nine of the 22 businesses, or slightly more than 40 per cent, are on the brink of collapse. They are the losers the Treasurer talked about in his budget of last May. Those nine businesses employ a total of 56 full-time and 40 part-time employees, over and above the owners, the operators, the entrepreneurs.

I repeat, the two major problems for all nine of these businesses were reduced sales and interest rates. All nine of these business people made it clear that if they do not have a very good Christmas season this year it is very likely they will not be operating in January; they will go under.

All nine of them see this program as reducing their chances of survival. They are aware of what is happening in Hamilton. They are aware of what the layoffs in Hamilton have done to their sales, as well as a couple of strikes over the course of the past two years, the one at Stelco and the transit strike last summer. They are also aware of what this program will do to the buying power of 13,000 families in the city of Hamilton who fall under this restraint program.

All nine of these business people feel their only hope for survival is action on the part of some level of government in this country that will increase consumer spending immediately. It seems to us on this side of the House that the only kind of action a federal or provincial government could take that would accomplish this in an immediate sense is tax reduction, not tax increase.

I might point out that all nine of those businesses on the verge of collapse made specific reference to the Treasurer's budget of last May and the retail sales tax. I asked them specifically about the corporate income tax reduction that the Treasurer included as part of his budget, and in all nine cases they found themselves unable to take advantage of that program because they are so close to the line at this point that they have no profits.

In addition to those nine, seven more businesses, or almost another 32 per cent—in total, counting the nine and seven, 72 per cent—are contemplating layoffs because of reduced sales and some difficulty with interest rates. At this stage they are not so close to collapse as the other nine businesses, but they are certainly reaching

a point in this economic crisis where, as small businesses, they are considering layoffs.

In those seven businesses, the layoffs they are contemplating involve 11 full-time people and eight part-time employees. They put themselves in the same category as the nine businesses close to collapse in the sense that if they do not have an excellent Christmas season those employees will be laid off immediately after Christmas. These are not seasonal employees who are being hired for the Christmas season. They are regular full-time and part-time people in those businesses. They will be laid off immediately after the Christmas season if the Christmas season does not bring one hell of an increase in retail sales.

5:10 p.m.

As I suggested at the outset, what it boils down to is that 18 of the 22 businesses saw this restraint program, coupled with the Treasurer's unaltered budget of last May, as a total abrogation of this government's responsibility to deal with the economic problems confronting us in Ontario and as a way to avoid the real economic problems confronting business people in this country. They saw these programs as a hindrance to their ability to survive on the one hand and as no progress toward a way to avoid further decline and layoffs on the other hand.

I thought it would be interesting to bring those facts to the attention of the members of the two parties that are supporting this bill and have always claimed to be the friends and supporters of small business and the wisest as to the needs of the small business community in Ontario.

I expect to have more time in third reading of this bill to go through the specific comments of some of those small business people for the edification of the members of the two parties that are supporting this bill.

Mr. Allen: Mr. Speaker, it is with a good deal of despondency and a sense of tragedy that I rise to speak on this bill. I also felt a deep sense of anger and incredulity to be called back early to this House to debate a major piece of legislation in response to the economic crisis that Ontario finds itself in, only to have the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) stand up and, for a few minutes, make some inconsequential remarks about the problems we face and why this legislation might be appropriate.

I heard nothing in the way of a sustained economic analysis or report on the fiscal state of the Ontario Treasury; in short, there was no

precise background against which to labour and to confront the piece of legislation that was presented to us.

I heard a sort of litany, the usual kind of commentary that I read in every history book I pick up dealing with the introductory years of every recession and depression this country has ever experienced. The same phrases keep on being repeated and repeated; there was nothing new, nothing profound and nothing that was essentially analytical.

As the debate went on and as ministers opposite and members to the right offered their commentaries on this bill, I kept hoping that in time that lack would be made up. But I kept hearing only the continued recitation of the same phrases and adjectives.

I have listened and I have reflected. I think I have listened to as many of the speeches presented on this bill as any member of the House. I am despondent that members opposite and to our right did not join the issue of the crisis of our economy and produce in their own commentaries something that would at least add to the substance of the remarks by the Premier and the Treasurer.

Our members in this corner of the House have made a number of charges with respect to Bill 179, and I certainly subscribe to them. I want to go from there to comment on the questionable justification for the bill, arguing that it is not only unfair and not only the most insidious piece of class legislation in Ontario's recent legislative history but also quite unnecessary, given the trends of wage settlements, interest rates and inflationary factors.

I want to argue also that it will not work, that the proposals put forward and the arguments given to sustain them will not bear scrutiny and that therefore the proposals will not and cannot have any effect on inflation or on interest rates. I think that in timing it is a piece of political opportunism, but I certainly recognize that there are more fundamental elements of policy in the government's mind to which this legislation gives expression and which perhaps have not been taken entirely seriously in this debate.

The bill does not stand alone as a piece of public relations gimmickry. Although many adjectives can be thrown at this government, I do not think it is a stupid one. It has lots of expertise, and I think this expertise has advised it to certain courses of action, this being one of them. I think the bill is a response to a major dilemma in Conservative economic and fiscal policy in the face of the deindustrialization of

Ontario. Indeed, one could even go so far as to say that this is the labour component of the government's underlying economic strategy and that in the long run it can only reduce our working people in this province to Third World status.

Far from being a cure for our ills, the bill is an integral part of a complex of self-defeating policies that will engulf this province in further tragedy. Although I believe it recognizes the extent of the crisis and even its nature, this government cannot escape this further tragedy, because it is allied with those who are its root cause and whose policies it serves primarily.

I do not want to rehearse the unfairness of the legislation; we have been through all that: the fact that it targets the public sector worker, the fact that it targets the working people of this province in more general terms, the fact that the five per cent solution cutting across income levels is not equitable, the fact that it impacts unfairly on women in the public service and women in the work force at large, the fact that it ignores certain important groups in our community who draw income from the public sector and who should be subject to its provisions, and the fact, above all, that in fastening on the working people of this province it does so in disregard of the fact that their wage settlements and wage demands have not been, as alleged, exorbitant and inflationary.

I have statistics here—I am not going to rehearse them all in detail, but I certainly could do so—for average weekly wages and salaries in Canada and settlements in that regard over the period from 1977. They show that, when inflation is calculated in, the real income lost was 8.3 per cent in the country as a whole and 10.5 per cent in Ontario.

Taken in the large, and that is what one has to do, if one pits wage and salary settlements over against inflationary potential, those settlements have not been inflationary. That itself ought to have cut the ground out from under any serious proposal for wage controls in this province.

If one looks at the average weekly wages and salaries in the public and private sectors separately in Ontario, one comes to the same conclusion: neither one nor the other is inflationary or exorbitant, and one gets the impression more of working people running to keep up rather than trying to get ahead of the inflationary factor.

In some construing of the statistics you do find, if you are talking about wage settlements of units of 200 or more, that the public sector

may be a little bit ahead of the private sector, or vice versa if you look at settlements in the larger units of 500 employees or more. However one construes it, there is no way in which the salary statistics in Ontario over recent years can be distorted to make working people the source of inflation and their wages the front line of attack against inflation itself and against interest rates. That may be the desperate expedient of bankrupt governments and a cornered governor of the Bank of Canada, but it simply will not hold water. It is baseless, it is dishonest, and it will be pernicious in its effects.

5:20 p.m.

When I turn to some single sectors that especially concern me in my responsibilities as Colleges and Universities critic, when I look at the university salary scene, I find the same evidence bearing out the same conclusion. University administrators quite freely admit they have ridden out seven years of underfunding on the backs of their faculties. If we look at the base income of full professors in our university system in 1971-72, we get an earning figure of \$18,792, and if we look at the real dollar value of their income 10 years later, that has slipped to \$14,155. If we run down the scale, assistant professors, for example, got \$11,000-odd in 1971-72 and in real dollars now, \$8,000-odd. Since 1978-79 the consumer price index has gone up 47.5 per cent, but university income scales only 27.7 per cent.

When one reviews the wage and salary advances of recent years in this province, it is quite obvious that they have not contributed to inflation and that the attempts to attack the inflationary factor and interest rates through that vehicle is not only unfair but entirely irrelevant. If the bill then attacks a nonexistent problem, it is certainly unnecessary in that respect, at least if the object is to restrain those inflationary runaway wage settlements that the Premier and his supporters appear to believe to have been out there in the labour market. The single, simple conclusion is that wage settlements have not been inflationary whether taken in total or by significant sectors.

I have not read anyone who predicts anything but a further decline in the level of wage settlements. The recent report from the Canadian Labour Congress itself predicts nothing but a continuation of declining settlements from the 8.3 per cent levels that have been struck in the course of these first few months of this year. As a wage control program, Bill 179 is redundant from the beginning.

The next point I want to come to is that Bill 179 is not only unfair, not only redundant and unnecessary, but that it will do nothing to reduce inflation or interest rates, that none of the arguments that have been adduced by the administration of this province will hold water when they are carefully examined. What are the arguments? First of all, it is argued that the public sector is a burden on the economy and that by easing that alleged burden inflation and interest rates will fall. That was what the Treasurer told us on September 23.

That argument just simply will not stand. There are two primary reasons for that. The first is that the projected saving of some \$440 million to \$840 million in government expenditure over the life of the program is simply too small to have any depressing effect upon interest rates. Even if a half-billion dollar reduction in government expenditure was accomplished in one year, and that is unlikely, that is only two per cent of the Treasurer's projected expenditures for the year. That is a grain of sand in the economic mill. It may be noticed, but it will have no effect whatever on inflation or on interest rates.

Second, there is absolutely no evidence that such public sector cost reductions as are passed through to the private sector will have a significant impact on inflation. Why? Because the Tory tax structure, which I wish to return to later if there is time, inhibits the passing on of much more relief to private industry. After all, they have been at it for 20 years. Twenty years of tax concessions to the corporations of this province, as misguided and ineffective incentives, have left the province in a position now where it has no more tax room to spare.

The corporate sector now contributes only seven per cent of the total budget revenue of this province. If one asks who has borne the brunt of increases in public sector costs, it is not the corporations, it is the family sector. Twenty years ago corporate taxes made up 25.1 per cent of the budget revenue, and family taxes 15.4 per cent. Those proportions have, broadly speaking, been reversed in recent years so that the corporate contribution is seven per cent and that of families 27 per cent, excluding Ontario health insurance plan payments.

Can we believe the Treasurer when he says he is reducing to any degree the burden of government on the private sector? Can we believe the Premier when he says, as he did in Halifax and repeated it here on September 23: "Public sector cost reductions can be passed through to

the private sector through the tax system and through other charges for government services. These reductions alone will have a significant impact on the performance of the consumer price index and will contribute to reduced inflation in the private sector." No, we cannot; my answer is not a word of it applies.

In terms of the bill before us, that line of argument is simply garbage from beginning to end. So much then for the argument that inflation and the cost of living for citizens in this province will be reduced by the proposed reduction of the so-called burden of government on the economy. It will not stand scrutiny.

Another line of argument which the government has adopted, and equally fallacious in my opinion, is, to quote the Treasurer on September 23, "Our actions will help the fight against inflation by decreasing government demands on the capital market and ease the pressure on interest rates." This argument is quite simply incredible.

First, according to the Treasurer himself, the Ontario government has not gone to the capital markets since 1978-79. Second, the government has been decreasing, not increasing its public debt. Third, Ontario does most of its borrowing from nonpublic sources like the Canada pension plan and the teachers' superannuation fund. How can this kind of borrowing be crowding the private sector off the money market and forcing up interest rates?

One is simply amazed that the Treasurer, of all people, would embark on such a line of defence of a policy of this nature. Any argument that controlling wages reduces deficits, and hence inflation, is lost in the simple fact that the government is not really a significant competitor with private interests in borrowing. In the circumstances it might be of some point to attack Hydro's \$2.3 billion borrowing on the capital market this year, but that is another question.

There are other reasons to be sceptical of the argument that the government's deficit is inflationary and is maintaining high interest rates. First, of course, if that were so, it is a very interesting observation that the decline in interest rates over recent months is accompanied by the growth of the provincial deficit and of the doubling of the federal deficit. According to the Treasurer's analysis, that should not be happening, but it is and it gives the lie to his argument.

Second, and more important, is his argument that it is total government demand upon the capital markets of the nation that forces up

interest rates or forces them down. If one looks at total government borrowing in this nation and the total government deficits, one will find that over recent years they have been declining, that their proportion of gross national earnings from 1978 to 1981 has been reduced to the point where they are now one fifth of what they were. In other words, combined deficits have been dropping, while inflation and interest rates have been generally rising. So where is the Treasurer's argument? It is lost completely. I do not see how it can be sustained. The whole case, it seems to me, for public sector wage controls as a means of reducing inflation and interest rates in particular, simply falls apart. There is not a shred of evidence to support it.

5:30 p.m.

As I suggested, one may hurl many adjectives at this government. One may be bewildered by the proposals and the arguments that come forth from it, such as this one, but I do not think this is an undesigning government. I think this is a deliberate policy, not one that was concocted in a fit of absence of mind and that did not really pay attention to the economic reality of this province. I do not think this is a stupid government. So where are the reasons for this particular bill?

Much has been said about its appeal to public relations, to a popular mood out there that seems to want some kind of action, that seems to want some kind of response. This is a handy thing to do, so the government does it. Timing may be affected by such things, but the form of the action is not. The form of the action is what we have to take account of, not its particular timing.

I want to suggest, as I did at the beginning, that this policy, this bill, is part of a response to the facts of a crisis in government revenue, and this is the reason, though there is more to it than meets the eye, for its introduction. It is also consistent with the government's program of restraint that has been in place since 1975. It provides the government with the necessary leverage to reduce transfer payments to local government. It provides the private sector with another tool to restrict labour income and reduce the presence of organized labour in the economy.

These are all reasons, but they all need, it seems to me, especially the last four, to be seen in terms of the economic and fiscal dilemma the Ontario government has boxed itself into as it attempts to respond to the crisis of the Ontario economy, a crisis sometimes referred to as

deindustrialization. The government is aware of the nature of that crisis. It recognizes its proportions and has responded to it up to a point in the Board of Industrial Leadership and Development program.

BILD, in my view, is not so much wrong as it is a timid and cowering harbinger of what the government might do with respect to industrial renewal were it to adopt a vigorous strategy that could grow out of that and extend from it. However, precluded from that by its commitment to nonintervention in the economy and committed to scaling down the capacity of government to do so, Conservative policy is reduced to rather will-o'-the-wisp efforts to "create a favourable business climate."

This bill fits precisely into that emasculated policy framework in two ways. First, let me recall for members that the advisory committee on global product mandating called for and secured from the former Minister of Industry and Tourism a commitment for more encouragement, more incentives, more inducements. Its multinational branch plant members said they definitely did not need "inconsistent or hostile policies, such as statements calling for greater Canadian ownership and possible nationalization."

The ministry's Let's Do Business kits, therefore, went on to brag loudly about Ontario's low labour costs, its low minimum wage, its labour stability, its corporate incentives, its high depreciation allowances, its low corporate tax rates and the absence of restrictions on profit repatriation.

I submit that the wage control program is the labour component of this government's overall strategy expressed in those terms: improving and extending incentives for private investment. All of that in turn fits very neatly into the World Bank strategy for Third World industrial development, which calls for free trade zones, financial incentives and appeals to the transnational corporation as the vehicle for accomplishing its industrial objectives and which entails of necessity a repressive labour policy to establish favourable business climates.

It seems to me that the second primary reason for this bill lies in the fiscal extension of that policy. Businesses are, frankly and quite admittedly, cash short. They are looking for help. However, this government over the long haul, as I noted above, has over 20 years so consistently followed its corporate incentive approach that it has no more tax room to give. Taxation specialists have told us repeatedly—and in my

maiden speech in this House I tried to explain that in some detail—that this whole panoply of incentives and tax expenditures to get business moving is simply an unproductive and self-defeating device. Yet the government has gone on year after year doing that. It has vacated just about all the space that it can for further tax incentives since corporations, as I said, now provide only seven per cent of those total tax revenues needed by this province. Now that we are at the dead end of that road, what is the Treasurer to do?

The Treasurer has only got one fundamental expedient, which was exhibited to us in the budget in May and is exhibited to us once more again in this program, which is not so much a wage restraint program as a 30 to 40 per cent surtax on public employees. The Treasurer has now begun totally and fully to adopt the strategy of increasing the severity of his acquisition and appropriation of the depressed wages of working people.

I understand his dilemma, but I refuse to share in it. I refuse to sympathize with policies that can have no other upshot but to reduce the working people of this province to Third World status. I repudiate this bill, and when the people of this province see its real intent, they will too.

Ms. Bryden: Mr. Speaker, I join with my colleagues in demanding the withdrawal of this dictatorial and misguided piece of legislation. I think it is the worst piece of legislation that has been introduced into this House in the seven years I have been here.

This legislation is not the answer to inflation. It is not the answer to our job shortage. It is not the answer to our deepening recession. In fact, it is just the opposite. It will increase the recession by reducing the purchasing power of 500,000 employees in this province. These are 500,000 employees who very much need the wages that are being taken away from them in order to just survive.

This piece of legislation will not create a single job. This piece of legislation will not control price rises in the supermarkets. It will not control the fees that physicians may charge under extra billing. It will not control the rising insurance rates or property taxes. It will not control rent hikes obtained by landlords under the rent review legislation if they are in excess of six per cent. It will allow for a continuation of rent increases above the six per cent for those who can claim that their financing costs have gone up.

This will not stop any of the price increases

that the gas companies incur being passed through to the consumers and which, therefore, will result in increases much above the six per cent to gas consumers. This will not stop the increase of 17 per cent in Ontario health insurance plan premiums. It will not limit Toronto Transit Commission hikes to six per cent. It will not limit telephone hikes to six per cent.

This legislation is not in any sense a restraint program on anybody but the 500,000 public sector employees who are being asked to pay the bill for the government's mismanagement. In fact, this is a typical piece of Tory legislation. Instead of dealing with problems in a planned way to put people to work, they are producing a smokescreen. It is a political answer.

5:40 p.m.

They look for a scapegoat. They look for people who are weak, such as unorganized workers, minimum wage workers. They look for people, such as women, who are at the low end of the pay scale and who work in some public sector employment, like hospitals, in great numbers, as well as in the public service in substantial numbers. They look for people who are unpopular. Sometimes civil servants have a bad image, which I do not think is deserved. They know the civil servants are not always able to talk back, although I think a great many of them are talking back about this particular kind of persecution in this legislation.

This legislation will not get the economy going. It will not reduce high interest rates. It will not put our unused manufacturing capacity to work. It will not increase capital investment and inventory accumulation, which are two of the main reasons our factories are closing down. In fact, it will make the recession worse. The New Democratic Party has put forward a constructive program for solving our present economic problems and for getting the economy going, but the government has stubbornly refused to look at this program.

What we need is to put people to work on building new rental housing, on import replacement, on an auto parts corporation. What we need is to become more self-sufficient in food so that we do not have to spend as much money on foreign imports. The same is true for machinery production. We have to produce our machinery at home. We have to increase the refining and processing of our natural resources. These are the things that could put people to work, not this kind of hoax, which is simply an attack on the weak and those least able to defend themselves.

I want to speak specifically about how this

legislation will affect women because they are one of the groups most affected by it. The Minister of Labour (Mr. Ramsay) said in the House on October 1, "The Inflation Restraint Act does not distinguish in its terms between male and female employees and is, therefore, neutral in its application." That is one of the most laughable statements the minister has ever made. Women being at the low end of the wage scale will be adversely affected by any percentage increase restraint. Six per cent of \$15,000 is a lot less than six per cent of \$20,000, \$30,000 or \$40,000, so women will have much less opportunity to catch up.

Statistics Canada has produced new figures recently on the percentage that women's earnings are of men's earnings. On the average in 1980 they were 49 per cent of men's earnings. A new 1981 study shows they are just 51 per cent. This is quite a bit less than the figure that has been cited for a number of years, which was close to 60 per cent. Women comprise 67 per cent of the poor. They will comprise a larger percentage if this wage restraint bill goes into effect.

Families headed by women, usually single women, comprised 35 per cent of poor families. Those families will be reduced to a kind of poverty that could affect their children's health, their children's nutrition, their children's opportunities for recreation facilities and even their children's new winter coats. I think the kind of legislation that attacks the poor is the kind of legislation that we should not allow and it should be withdrawn.

I want to speak of some of the ways in which women are affected by this legislation. First of all, there is the case of the 17,000 public service employees who have signed a contract covering 1982 and 1983. This provided for an increase of 11 per cent in each of those years. These are the clerical and office service employees. This category is dominated by women and is a low-paid category. Of the 17,000 workers in this area, 15,000 are women. They will suffer a pay loss, an actual rollback of their contract of \$1,000 per worker. This is equal to about three weeks' lost pay that the government is stealing from these women. They have signed a contract and the government is tearing up their contract.

This pay raise did not really provide for catch-up; it provided for keeping up with the cost of living. But women in the public service of Ontario make only 72 per cent of what men make. Not only are these women denied any

catch-up, but they are being taxed by this legislation at the rate of \$1,000 per worker.

Are the doctors paying this kind of a tax on their \$100,000 salaries? No. Are the executives my colleague referred to, who are making in the six-figure area for their salaries and have increases of 40 and 50 per cent, paying any of this compulsory tax that the government is imposing on the clerical and office workers? They are not. We have to look at this kind of unfairness and say, "Surely, we must not allow such persecution of an underpaid group of women workers."

There is a day care worker in Ottawa who makes \$17,500. This is not a very big salary. Day care workers are notoriously underpaid, and if it was not for their dedication, a lot of day care centres would close. This day care worker had a catch-up contract which was supposed to raise her wages in the coming year. Instead, as a result of this legislation, her wages will be cut by \$18 a week. Multiply that by 52 weeks. It seems to me that her rights have been gravely affected by this legislation and the legislation cannot be called neutral.

An \$18,000-a-year clerk in the Ministry of Transportation and Communications faces a reduction of nearly \$20 a week next year, despite the contract that her union signed with the government.

5:50 p.m.

I want to draw attention to the plight of the public health nurses in North York. I raised this question in the House on Tuesday, but I was not able to give all the facts because the time for oral questions ran out.

I did point out that these public health nurses in North York have a starting rate which is \$8,100 below the rate for public health nurses in the city of Toronto and \$6,100 below the rate for sanitation inspectors in North York, their own community.

The sanitation inspectors are required, generally, to have less education than the public health nurses but they do substantially the same work in the community of maintaining health standards. The public health nurses probably do more preventive work in the schools and in the community. Sanitation inspectors are also essential for their contribution to keeping the community free of disease.

The public health nurses have been negotiating for more than a year to achieve a catch-up with these two categories, but a catch-up to bring them to parity with the Toronto nurses would require a 41.6 per cent increase. Under

this legislation their chances of getting any catch-up are restricted to the nine and five per cent allowed under the legislation: nine per cent in the first year and five per cent in the second year. This would not even begin to allow them to catch up and, of course, would not keep up with the cost of living. But those figures are also maximum figures, so they might not even get the nine and five if their employer is not willing to give it to them.

These public health nurses in North York are also required to provide their own cars to do their jobs. At present they are suffering a loss of up to \$2,000 a year on the shortfall between their car allowances and the costs of operating the cars.

The city of North York has initiated a study of this situation and has promised a report in 1982. If the city agrees to rectify this very serious situation, which really requires the nurses to subsidize the city of North York and the taxpayers of North York up to \$2,000 a year, under this legislation it will not be allowed to correct the situation because this will be a monetary gain.

They will be restricted by the nine and five and, presumably, this particular situation cannot be rectified for the next year or two, probably two years since they are among the people whose contract is under negotiation but has not yet been signed. For two years they have to go on with this situation. I cannot understand how North York will be left with any public health nurses because it is an impossible situation.

There are other areas where women will suffer; for instance, in women's efforts to move into nontraditional jobs. They have been able to get into Stelco, which was quite a breakthrough, but as a result of the government's failure to keep the economy going, those jobs have disappeared. They have been laid off because their seniority is low.

This legislation will not help them get their jobs back, so we are no longer able to say there are women in Stelco. The gains they have made in moving into this new field have been wiped out by the government's failure to overcome the recession, its failure to provide purchasing power so Stelco could keep going on its former scale.

With regard to equal pay for work of equal value, that is one of the main ways in which women will ultimately improve their position in the work place and overcome the wage gap that exists between men and women. Until women are allowed to move out of the job ghettos and into other jobs or are provided with pay equiva-

lent to the work being done in jobs that require equivalent skill or equivalent responsibility, they will not be able to overcome that wage gap. When the Minister of Labour was asked if he would consider bringing in equal pay for work of equal value, he said that at the present time, "the atmosphere is not right." He said business cannot afford it at the present time. He also said the work place is in a very fragile condition at this time.

It appears he chooses to support business and not to consider that discrimination is something that should be outlawed. Women will have to put up with the present discrimination for the next two or three years at least or until such time as he is convinced that equal pay for work of equal value is what is needed if we are going to give women equal opportunities in the work place.

Another problem that will face women is that the present legislation will, in effect, rule out bargaining on nonmonetary items. There are many items on which women are not protected that have been left to collective bargaining, because the government has failed to move in these areas. I am referring to things such as video display terminal hazards. There is no legislation in the province to protect women against the possible effects on them when operating these VDT machines.

Also, there is the question of maternity leave and day care provision, either in the work place or in the community, to enable women to work and to have equal opportunity.

There is the question of negotiating sexual harassment rules to protect women from this problem.

There are many nonmonetary matters that have been left to collective bargaining, but when the government tears up the collective bargaining contracts and eliminates them for a period of two to three years, that condemns women to the present conditions in all those fields and removes the steps that can be taken to make their opportunities equal. If the government itself would act in some of these areas, there would not be as many of them that would have to be bargained over. Ultimately, we hope these particular requirements will become universal for all workers, whether or not they are in bargaining units. At the moment, they have no recourse to any method in order to get protection for the various health and safety problems that particularly affect women or to ensure that there is adequate day care.

Another area where there are a considerable

number of women workers is in community colleges. At the moment, the support staff are averaging something like \$17,000 to \$18,000 a year. They had been negotiating a catch-up provision, but they will not be able to achieve what they have been negotiating, because they will be affected by the nine and five. The contract is not settled, so these women are faced with two to three years of controls, and we do not know whether they will even get the maximum of nine and five. Sixty per cent of the 4,500 support staff of the community colleges are

women, so I do not see how the minister can say the legislation is neutral as far as men and women are concerned.

The Deputy Speaker: At this time I would like to bring the time to the honourable member's attention. Were you planning to resume at eight?

Ms. Bryden: Yes, I would like to resume at eight.

The House recessed at 6 p.m.

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Ontario LEGISLATIVE ASSEMBLY

No. 119

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Official Report (Hansard)



Second Session, Thirty-Second Parliament

Thursday, October 14, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 14, 1982

The House resumed at 8 p.m.

INFLATION RESTRAINT ACT (continued)

Resuming the debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Ms. Bryden: Mr. Speaker, when we recessed at six o'clock, I was speaking about how Bill 179 affects women more than it does other employees. This is mainly because of the way percentage increases work. Generally, the lower-paid people on a percentage increase formula do much less well than those on higher wages. Certainly, we know that the doctors' 14 per cent increase meant a very substantial sum, probably as much as a great many women make in a whole year.

Women are very badly affected by this legislation, and I pointed out how it will effectively stop any catch-up in their wages to overcome the wage gap between men and women workers during the next two or three years. I also pointed out that it will prevent women from obtaining important nonmonetary gains in the collective bargaining process.

Many of these nonmonetary gains are essential to removing the barriers that prevent women from having full equality of opportunity in the work place. I am referring particularly to bargaining for day care, for rules that will end sexual harassment in the work place, for getting a target number into training and apprenticeship courses and things of that sort, as well as to health and safety rules, particularly as they affect women and particularly in the area of protection from the possible effects of video display terminals.

Unfortunately, if this bill goes through, there will be no incentive for employers to bargain for nonmonetary items, because the unions will have no clout. They will have no right to strike and will be obliged to beg the employer even to consider sitting down with them on any subject.

This legislation affects all public service work-

ers, and not just women. It affects teachers. It affects librarians in publicly funded libraries. It affects health care workers in hospitals and institutions. It affects the Toronto Transit Commission operators but not TTC fares. It does not affect doctors. It does not affect Ontario health insurance plan increases, and it does not affect telephone rates. These are all part of the cost of living for those workers who are subject to this restraint bill.

Nor does this legislation affect executive greed, which my colleague pointed out is rampant among a great many corporation executives who write their own salaries and put them in the \$400,000 to \$500,000 range.

This bill is frightening legislation to any person in a democratic country, because it contemplates the tearing up of contracts. It contemplates confiscation of wage gains written into contracts. It contemplates, in effect, a taxation of certain categories of employees presumably to return money to their employers.

The taxation is not a tax that will be set by this Legislature. It is not a tax that will affect all workers or all members of society on an equal basis. It is a tax that will be paid in differing amounts by the 500,000 people who are affected, according to what kind of contract or wage arrangement they have with their employers.

The money will not go to the government to reduce expenditures or to reduce that horrendous deficit of \$2.6 billion. It will go to the employers, and there is no guarantee that the employers will spend that money on job creation. There is no guarantee that they will spend that money in this country, and there is no guarantee that money will have any effect on reducing the cost of living.

I think we should just look for a minute at what this legislation does to collective bargaining. It means that workers who have been without a contract for more than a year will have no collective bargaining rights for three years. It means that workers who have been bargaining for less than a year will have their wages controlled for at least two years.

It also means that collective bargaining will be replaced by one-man rule. A government appointee will have the power to decide wage

levels for 500,000 workers in the public sector. No hearings are required, no reasons for a decision must be given. He can do what he wants, how he wants, when he wants, and workers will have no right of appeal from this one-man dictatorship.

This is a denial of natural justice and due process of law. These are things we cherish as part of our democratic process: natural justice and due process. I ask, how does this differ from what is going on in Poland under a Communist government? How does this differ from dictatorship?

Mr. McNeil: I think there's a little difference.

Hon. Mr. Ashe: It's ridiculous.

Mr. Breagh: What are the differences? Don't give us the bull. Tell us about the differences.

Hon. Mr. Ashe: There's quite a difference.

Ms. Bryden: I want to read a comment on collective bargaining which was written by the national association representing Canada's university professors, the Canadian Association of University Teachers, known as CAUT.

Just let me quote two paragraphs of their ad, placed in the *Globe and Mail* on October 7:

"The right to bargain collectively is fundamental in a democratic society and has been secured, like so many of our other fundamental rights, only after a long and persistent struggle. It is based upon the right of association recently enshrined in the Canadian Charter of Rights. If this right can be treated so cavalierly, there is no assurance that other basic rights will be respected. The real test of our democratic system is its ability to preserve fundamental rights in times of difficulty."

I continue with one final paragraph from their advertisement:

"[The government's] action is doubly reprehensible when it singles out one sector of society. The hope that other sectors may be influenced is no justification for such discriminatory action. This is like punishing an innocent minority as a threat and deterrent to others. Moreover, even within the public sector, the effects of the proposed legislation will be highly inequitable."

I think the members opposite should heed that warning from our university teachers.

8:10 p.m.

The government keeps saying it must reduce government spending; that is one of the reasons it is bringing in this kind of restraint. When it comes to talking about restraint, that is a matter this government should be looking at internally.

The government's idea of restraint is not my idea of restraint. I have a list here of a dozen expenditures of this government which I consider could have been eliminated. They indicate this government's willingness to exercise no restraint on itself while imposing restraint on the public servants.

First, let us recall that the government's advertising budget was \$40 million last year and \$40 million the year before that. Since 1977, it has risen by 360 per cent. In addition, 50 people have been added to the public relations staff of the cabinet ministers since 1980. Just think what their salaries cost. They range from \$21,000 to \$53,000.

Ottawa cut its advertising budget of \$68 million by \$30 million recently. We have not yet heard any figure from the Ontario government showing what it is going to cut out of that \$40-million budget, which makes it, incidentally, the sixth largest advertiser in Canada. That is one area.

Let us look at the government advertising campaign to encourage voting in the November 8 election, including the leaflet that was shown in the House today, which has one blank page on which a candidate may put his picture if he wants to. I understand that about 10,000 copies were delivered to each municipal candidate in Toronto, presumably at government expense, to enable candidates to get their message across. The price tag on that advertising campaign is \$840,000.

Here is another item. The Minister of Citizenship and Culture (Mr. McCaffrey) hired two buses to take civil servants and members of the Legislature who were invited to the reopening of the Royal Ontario Museum last week 600 yards across the street and up Queen's Park to the museum. Eight people used those two buses at a cost of \$120.

The Minister of Government Services (Mr. Wiseman), together with two assistants, went to Thunder Bay to address the Lake Nipigon Conservative Riding Association. The cost for three Air Canada return tickets would have been \$861, but the cost for the private plane the minister took was \$3,985, a waste of more than \$3,000.

The night the budget was presented, the Treasurer (Mr. F. S. Miller) invited a number of people to the Albany Club after the event. He was asked whom he invited and he said, "Various people with an interest in business and the economy." I have an interest in business and the

economy, but I was not invited. That little party cost the taxpayers \$6,425.76.

The Treasurer also took a public-speaking course in New York City in the summer of 1981. It cost the taxpayers \$2,500. I am not sure whether we got our money's worth in improved public speaking by the Treasurer but, when asked why he did not use a Canadian firm if he was going to hire this kind of service, he said he just happened to be in New York at the time this course was available.

The Premier (Mr. Davis) and his staff went to Edmonton on May 10 of this year, presumably to meet with some of the Alberta government people. The trip cost \$1,615.58 for three of them, but a Ministry of Natural Resources plane took them there. We have not yet heard the cost of the plane, the pilot, the standby time and so on. It seems to me that Air Canada could have got them there.

We are extending our expensive office in Paris, and we sent Adrienne Clarkson there. The total cost of that office is \$361,000 per annum, and there are still renovation costs that are anticipated but unspecified.

These are some of the kinds of restraint this government shows. I have not mentioned the dinner to mark the 20th anniversary of the Ontario Human Rights Code at which 600 people sat down to a dinner costing \$20,000. I think a new human rights officer would have been more to the point. I have not mentioned the \$200,000 spent on a cocktail party for the world bankers. Most of us know world bankers are influenced not by fancy freebies but by the bottom line on an investment.

I think I have made the point that this government does not believe in restraint for itself. It wastes the taxpayers' money on all sorts of high-priced entertaining and unnecessary trips. I did not mention the Premier's trip to Australia and New Zealand last year which cost \$115,000, including expenditures for his wife, who accompanied him, as well as a number of others.

This is not fair legislation. It is persecution. I have to mention that for the teachers in Metro Toronto it is double persecution, because under Bill 127 they have been put in a collective bargaining straitjacket. If it passes, they will be in this straitjacket forever, having unified bargaining and not able to bargain with their own employer.

Under Bill 179, the teachers are now subject to the cancellation of their collective bargaining rights. This year the teachers' talks have been

stalled, there is great uncertainty and unrest in the teaching profession and it certainly is not conducive to the development of good education in our city.

I strongly hope the government will reconsider this bill, withdraw it and get on with the job of getting the economy working by more suitable measures.

Mr. Bradley: Mr. Speaker, it is my pleasure to have the opportunity to participate this evening in the deliberations related to Bill 179, doing so at a time when our province is facing some very difficult economic times, as the former leader of the Ontario Liberal Party indicated during the election campaign when he was referred to as Dr. Negative.

He was right, of course, but justice is not always done in the field of politics in terms of whether or not a person is right and straightforward with the population and, as a consequence, that was one of many reasons he was not asked to lead the government of the province and the government in power was returned with a majority. We face, as they would tell us, the realities of March 19. But I suggest to members of this House that the realities of March 19 are more than simply political realities; they are economic realities as well.

8:20 p.m.

The present economic conditions in this country, as the Premier (Mr. Davis) and the Prime Minister of Canada would like to point out, are not entirely under the control of either the federal government or the provincial government. There is no one in this House who suggests that is the case. I contend, however, that both those levels of government have a role to play in turning our economy around.

One of the steps this government has chosen, which I feel is only a very tiny part of any economic recovery program, is to show restraint on itself and its employees. One can understand why the government has been forced into this position. Some would suggest that the public employees of this province make an easy scapegoat. Indeed, if we were to read the public opinion polls both nationally and provincially, we would find that the program introduced by the Premier and the Treasurer (Mr. F. S. Miller) is a popular program and that the bill is acceptable to the majority of the population. So that might well be one of the motivations.

But while this government places a good deal of emphasis on public opinion polls, it also has to accept the economic realities that confront

our province, and the realities confronting both the federal and provincial governments involve deficits that are soaring out of control.

I am one of those who believe that in difficult economic times it is acceptable for governments to incur a deficit. Indeed, it is desirable for a government to incur a deficit to overcome the deep problems that beset any jurisdiction with respect to unemployment. Certainly, the kind of well-targeted spending programs that we in the opposition have advocated would have a measurable effect on reducing the unemployment rate and stimulating the economy in the appropriate fashion.

What we have is a situation where the deficits are soaring out of control. We had a federal deficit that was estimated initially at some \$10 billion for this year. We then had a revision in the budget, and we hear that it is to be closer to \$20 billion: a doubling. The latest rumours coming out of Ottawa, the speculation that is arising—and probably speculation fairly well founded—is that the federal deficit might well approach the neighbourhood of \$26 billion, with the ensuing problems related to the financing of that debt.

The Minister of Revenue (Mr. Ashe) will recall when the previous administration, which was in for about seven months, was ruling this country. During the election campaign, the leader of that party indicated that what we needed was an even larger deficit so that we could spend our way back into some kind of economic recovery.

Hon. Mr. Ashe: We have sure got that now.

Mr. Bradley: We have that kind of deficit, as he has pointed out; but we have reached the reality that this deficit is soaring out of control. In addition, the provincial deficit, which I believe was upwards of \$1.5 billion last year and was predicted to be \$2.2 billion in this fiscal year, is now predicted to be around \$2.5 billion. I would suggest that it could be approaching \$3 billion if we were to evaluate the rate of recovery of funds through revenues from taxation.

We have a situation where the provincial deficit is certainly rising much more rapidly than people had expected. This should have been quite evident to anyone who analysed the provincial budget very carefully and was able to determine that the Treasurer was not deriving the kind of revenues he wanted out of taxing nonessential items with the sales tax and so he moved into essential items, which previously had been exempted.

The Treasurer did not do this to punish the

people of Ontario—although for political rhetoric, of course, I would like to say that he did want to punish them—but because of the reality that the only way he was going to derive the kind of revenue he felt he needed to come near balancing the budget or to apply funds to programs that he felt were useful was to tax those items that are essential, where the people could not escape that tax.

This is the context in which we find ourselves with the government wanting to implement some kind of program.

I would like to go back a step, because this summer we had a conference of the 10 Premiers of this country. Among those at the conference, of course, was the Premier of Ontario, representing the largest province and probably the most economically powerful province; if not the most economically solvent province at this time, at least the most powerful in terms of numbers, in this country.

It seems to me that the Premier dithered most of the summer. He said he wanted to be very careful about what he implemented, he wanted to assess all the possibilities and he wanted to look at every possible program and initiative. I suggest, I think quite fairly, he was dithering most of the summer, hoping against hope, as were so many of the Premiers, that the federal government would implement full wage and price controls, comprehensive and across the board.

There is a practical advantage, if we want to talk about full and comprehensive wage and price controls and having them implemented from the federal level. The political benefit is that the Premier could put a lid on some of the expenditures he felt he had to put a lid on and control the economy in Ontario without accepting the responsibility and the flak that goes with implementing a program of wage and price controls.

As I have said many times to my friends opposite, the Premier wanted to be in his usual position of being first in line to accept the credit for anything that goes right in this province and last in line to accept the responsibility when there is a tough decision to be made or when things go wrong. It is much easier, in that case, to blame the federal government and, of course, for the federal government to blame the United States or world conditions. I guess that is a political reality. It is my contention that is why the Premier dithered so long before implementing a program.

Having waited as long as we did for the

economic program to be introduced in this House, we had a right to expect it was going to be a full and comprehensive package that would lead us towards economic recovery. We in this party recognize, as I am sure most people in this province recognize, that inflation is an extremely important problem confronting us. In my view, of equal importance, if not more importance at this juncture in October 1982, is the problem of unemployment and the devastating effect it has on the people of this province and specifically on those who are directly affected.

It seems to me that what we required was not simply one bill striking out at one sector of the economy, but a comprehensive package that would have ensured economic recovery. We in the official opposition on many occasions have advocated several measures we feel would be conducive to that result.

We have a situation in Ontario, looking specifically at the bill that has been presented, where I would judge most people, including some of those affected by the bill, would be in favour of a program of restraint. Almost all the provinces have implemented some kind of program of restraint; the federal government has implemented a program of restraint; indeed, most of them have looked at both wage and cost controls.

We all know it is much easier, unfortunately, to control wages and salaries than it is to control prices and costs. I am talking not just about imported costs, but also about those within the country. There was thus a zeroing in on wages and salaries, but I suggest that most people, as responsible Canadians or responsible Ontarians, are prepared to accept restraint as long as they know the restraint package is a fair package. That is where the bill presented to this House falls down.

Mr. Cooke: But you are supporting it.

Mr. Bradley: My friend the member for Windsor-Riverside likes to discuss the fact that we in the official opposition have adopted the position of wanting to amend the bill to make it more acceptable, recognizing the realities of March 19 with 70 Conservative bristles on the broom that sweeps most matters under the rug.

8:30 p.m.

I point out to him—and this is what happens in difficult times—that some people rise to the occasion and others simply take the view that they are adamantly opposed and that is that. Perhaps that is an admirable view. That is a very attractive view to a person such as me who is

characteristically opposed to legislation of this kind that would zero in on one sector of the population.

But I do remind the member, and I am sure he is aware of this, that even very recently the federal NDP finance critic, the gentleman who succeeded as the present leader of the New Democratic Party, advocated full wage and price controls, wanting controls on the prices, naturally, but accepting the fact that everything, all wages, salaries and prices would be fairly controlled.

One can attempt to say that it is not true. The federal member for Brant, Mr. Blackburn, is a person who on some occasions has been known to have advocated this in the difficult economic times we are in, as long as they are applied in a fair fashion.

Mr. Nixon: He is a very sensible chap.

Mr. Bradley: This is sensible. This is what happens. This is what emerges in difficult economic times.

Mr. Cooke: This is not a fair bill so you should not be supportive of it.

Mr. Bradley: I agree, this is not a fair bill, and that is why we wish to see several changes made to this piece of legislation.

What is missing then, as I have indicated, is the total economic package. In itself, and I think this is fair to say, this bill will not create any jobs in Ontario. The suggestion is that somehow, if we hold down the wages of our public servants, we are going to create some jobs. We cannot create jobs unless the money that is saved from that kind of initiative is applied to a job-creation program.

This brings me to British Columbia. The member for Cochrane North (Mr. Piché), who feigns as though he is playing a fiddle while the poor people of his constituency are suffering from unemployment—

Mr. Piché: If we've heard it once, we've heard it a hundred times.

Mr. Bradley: While he fiddles, he should recognize that in British Columbia when the government was arguing with its public servants and got involved in some rather vicious name-calling back and forth, ultimately the public service union said to the government: "You show us an economic package. We are prepared to show restraint. We are prepared to accept somewhat less than we would have liked if you can show us an economic package in which you are going to use that money."

This government, to this time, has kept that a

secret. We keep asking the provincial Treasurer, "Please provide us with the shopping list you have, this list of initiatives you are prepared to take if the federal government does not act." We get silence from the provincial Treasurer.

I am sure there are many on that side who are wondering about that. I do not expect them to speak up. That is the name of the political game. If one is looking for a cabinet post or parliamentary secretaryship, or even if one wants to keep peace within the caucus, particularly on the government side, one will tend not to speak out on items of this kind. But I would think that secretly many of the members who are sitting on the other side are wondering where the rest of the economic package is and how the government can zero in on one particular sector.

Hon. Mr. Ashe: Did you phone your Liberal colleagues in Ottawa and ask them? Did you phone Pierre and ask him?

Mr. Bradley: I should not even get involved with the member for Durham West because his answer to everything is to blame Ottawa when it goes wrong and to take credit when it goes right.

Hon. Mr. Ashe: It's very easy to do.

Mr. Bradley: That is simplistic, and he is nothing but a party hack when he does it. He has established a reputation as a party hack. I am sorry to say he is because if the party took the opposite tack he would be saying that is right.

If the member for Durham West would stand up one time and say the party is not always right, even within caucus, instead of being a party hack on every occasion—

Mr. Speaker: Back to Bill 179, please.

Hon. Mr. Ashe: If you believed that, you would know enough not to be a Liberal.

Mr. Bradley: I am not bothering with the member any more. He is a hack and that is it. I am sorry, but he is. Even the member for Sudbury (Mr. Gordon) will speak out once in a while.

Hon. Mr. Ashe: You don't really believe that.

Mr. Bradley: I will not have the chance to attend one of his caucus meetings, I am afraid.

Hon. Mr. Ashe: No, I am afraid you won't.

Mr. Bradley: I could tell some stories of whether I could have or not, but I will not get into that.

Mr. Nixon: Don't tell me somebody asked you to be a Tory cabinet minister also.

Mr. Bradley: There just aren't enough seats over there, gentlemen.

Mr. Nixon: Some of you guys are going to have to retire.

Mr. Conway: A party whose middle name is Jezebel.

Mr. Bradley: Now that the din has subsided—

Mr. Speaker: Now to Bill 179.

Mr. Bradley: Yes. Through our leader, our caucus expressed the viewpoint that we would be in favour of a restraint program as long as it applied to everyone equally. We think profits, prices, dividends and all salaries, wages and forms of remuneration require the same treatment. While the present legislation tends to come down hard on salaries and wages, it uses the velvet glove on profits and prices.

This bill makes public servants the scapegoats for the mismanagement by this government over the last several years. The Conservatives are elected on a continuing basis, and that always amazes me. I suppose I should be charitable enough to admire their being returned to office if it were as great financial managers.

The member for Beaches-Woodbine (Ms. Bryden) listed a number of areas where this government has squandered funds unnecessarily. Now the government is asking public servants to restore its triple-A credit rating which it has squandered away. We are in the position of saying that the government has spent \$40 million—

Interjections.

Mr. Bradley: I will get to Saskatchewan in a moment and to Manitoba and British Columbia.

Mr. Speaker: Order.

Mr. Bradley: I will get to all those examples shortly, but I know the Speaker wants me to stick to the bill.

First of all, the Premier wanted a jet. One of the things we have lost over here is that he finally sold the jet and we cannot say, "Sell the jet," any more. At least he traded it in for two water bombers.

Mr. Piché: On behalf of the people of northern Ontario, thank you for shafting us.

Mr. Bradley: I know the member for Cochrane North disagrees, although the member for Fort William (Mr. Hennessy) voted for my resolution in April to sell the jet, and the Minister of Transportation and Communications (Mr. Snow) always enjoyed my interjections calling upon the government to relinquish its rights to this executive jet.

We saw an advertising budget of some \$40 million in the fiscal year immediately preceding the election of March 19. This government took

taxpayers' money and spent it on self-congratulations. Anybody over there who could objectively contend that "Life is good, Ontario. Preserve it, conserve it," did not have a political message is not being entirely honest with himself. I think we recognize that most of the messages that were presented in that period of time with the \$40 million of the taxpayers' money that was squandered on that aspect of government expenditure were to promote the cabinet ministers and the government across the floor.

Then we have Minaki Lodge, which has a great history and where we keep pouring good money after bad. As if the first show was not enough, we then had the road to Minaki. An expenditure was made to pave a road to get to Minaki Lodge.

Mr. Piché: There he goes. He is against northern Ontario again.

Mr. Bradley: We are spending all kinds of money in an inappropriate fashion when we could spend it in northern Ontario to create real jobs. Even the member for Cochrane North should recognize that.

Mr. Piché: Start talking about projects in the south. There are all kinds of projects in the south that the member should discuss. It is always northern Ontario. They are against anything that happens in northern Ontario.

Mr. Speaker: Order.

Mr. Bradley: We are receiving an interjection, Mr. Speaker, I know you will want to note that—

Mr. Speaker: Never mind the interjections, please.

Mr. Bradley: —from our prospective candidate in Kitchener in 1975, the former Minister of Culture and Recreation, now known as the Minister of Tourism and Recreation (Mr. Baetz). I think with a far straighter face and with more feeling he would have preferred to be over here criticizing those expenditures which he knows in his heart are wrong.

8:40 p.m.

Mr. Conway: With a great sense of Lutheran rectitude.

Interjections.

Mr. Bradley: I would suggest that the Minister of Tourism and Recreation could not possibly have been in favour of the outlandish reception held on the front lawn of Queen's Park. As would be the case with most of us over here, he could understand that a reception is a

nice thing, that we want to put on a good face for Ontario, but not to squander \$180,000 on a reception for people who are already wealthy enough to look after themselves. Yes, we should offer hospitality, but not the kind of outlandish display we saw, particularly in difficult economic times when the government is asking others to restrain themselves.

Then we have the land-banking schemes from a government which is supposed to be a small-c conservative government, stealing a plank from the Socialists who feel land banking of the kind the government has done in Townsend and other places is useful. All it did was tie up a great deal of government money. It was not put to productive use. Even when the government banked the land, it was not able to use it appropriately afterwards. Now the government is begging people to move to Townsend and is helping to build a new palace.

By the way, I should get to that, Mr. Speaker, because you would be interested. In Peterborough you are lucky that you do not have regional government because what all regional governments want to do now is to build new headquarters. In Niagara we have a \$6-million monument to regional government sitting on the brow of the escarpment, which will probably cost \$10 million before we are finished.

If there were a conditional grant on regional headquarters, which there is not, that is one area where I would recommend the government cut back. Of course, our regional council needed it to maintain its identity and to show a focal point for the people of the region. We did not need that kind of focal point. It is another example of governments, this one the creature of the provincial government, spending money inappropriately.

We look at the approach to the legislation which was put before us. An attractive approach is simply to vote against the bill. My own instincts are to vote against a bill of this nature because it zeroes in on one specific segment of the population. The approach our party has taken is to modify the bill, to amend the bill, and to ensure the bill goes to committee so it can be changed to make it more equitable because, in reality, the 70 members across the floor have the opportunity to ram the bill through as is.

If we are able to provide reasonable justification for the amendments we are proposing, there is the glimmer of hope the bill can be modified to make it a little more acceptable to those who must face its consequences. Along with the New Democratic Party, we indicated

that we were prepared to force the bill to committee to make the amendments we feel are necessary and to allow those people who are directly and indirectly affected by the bill to make their views known to the committee and to suggest possible amendments to or deletions from the bill. That is something we want those people to be able to do.

Mr. McClellan: Let the record show Jim Bradley is laughing.

Mr. Renwick: We will begin to see the wording of the amendments crossing the floor so you will have it right.

Mr. Speaker: Order. Back to Bill 179, please.

Mr. Bradley: I do not want to get into labour legislation that we were into in previous times in a minority government where the NDP had to swallow itself.

Mr. Renwick: The Tories will have to draft them because you will get them wrong.

Mr. Kerrio: Don't cut off your money. Your 30 for 20 members is liable to go.

Interjections.

Mr. Bradley: With these interjections, I think we should know what happens when even the most radical people come to power, when even those who claim to be the greatest champions of working people in any political jurisdiction actually come to power. I have some examples. I hope I was able to pick up at least a few.

Mr. Renwick: Have you got anything from Sweden recently from Olaf Palme?

Mr. Bradley: No, I have nothing from Sweden. I want to stay within the jurisdiction of this country.

Mr. Renwick: You wanted to talk about your working class friend Margaret Thatcher.

Mr. Cooke: We could talk about Pierre.

Mr. Speaker: Never mind the interjections, please.

Mr. Bradley: I want to talk about this country. I want to talk about August 17, 1976, when the Premier of Manitoba at that time, Ed Schreyer, who is now the Governor General of Canada, announced in Winnipeg that he recognized that there was a need for cutbacks—and that is a bad word on some occasions.

I quote: "He has ordered cutbacks in the provincial civil service and in government programs in an effort to reduce expenditures by between \$18 million and \$30 million. Mr. Schreyer said the action was needed because proposed new federal policies would cost Manitoba about

\$30 million." That sounds familiar. They say that across the floor. "He said that if the cutbacks prove insufficient, an increase in provincial income tax could be considered.

"As part of the austerity measures, cabinet ministers have been instructed to review departmental operations and prepare a list of possible cutbacks and deferrals; defer funds not already committed to expansion of programs; scale down construction and development programs; attempt to reduce administrative and controllable expenses; and refrain from filling vacant posts. The Premier said the civil service is to be frozen at its present size and reduced gradually by 10 per cent."

Mr. Conway: Repeat that.

Mr. Bradley: That is what happened. He said that the civil service was to be frozen at its present size and reduced by 10 per cent.

Mr. Conway: Who said that?

Mr. Bradley: That was the New Democratic Party Premier of Manitoba. I suppose that happens when one has to assume the responsibilities of public office and I do not criticize him for it. I think he was looking at the economic realities of 1976 and saying that this was a reasonable program.

Now let us go to British Columbia because—

The Acting Speaker (Mr. Cousens): Is the honourable member dealing with Bill 179?

Mr. Bradley: Yes, I most certainly am dealing with Bill 179 in relating how other jurisdictions have dealt with the same items affected in Bill 179.

Mr. Stokes: In 1964? Is that what you are saying?

Mr. Bradley: No, I am at 1974 and Premier David Barrett. This is what Mr. Barrett did. It says here: "Firemen from four Vancouver area municipalities returned to work August 10 after agreeing to a British Columbia government bill ordering them back. But the workers did not return to work willingly. Legal adviser S. R. Chamberlain said in an interview August 9"—he said the men were very unhappy to go back.

"Labour Minister Bill King said it was a regrettable step to take, but all other methods of solving the dispute between the men and the four municipalities had failed. At the same time, he announced a search for a better way of dealing with work stoppages in essential services such as firefighting, police service and hospitals."

That is what happened when Dave Barrett

was in power. He recognized that sometimes we run into difficult circumstances. He ran into difficult circumstances on October 15, 1975, as well.

Mr. Renwick: That's seven years ago. Isn't that amazing?

Mr. Bradley: It was seven years ago that the NDP was in power in British Columbia, so I cannot refer to any other time.

To continue to quote: "Special legislation forcing striking food industry, forest, railway and propane workers back on the job was passed by the British Columbia Legislature in an emergency session October 7. The bill, called the Collective Bargaining Continuation Act, gave the more than 50,000 workers involved 48 hours to return to work, imposed a minimum 90-day cooling off period and ordered labour and management to resume bargaining immediately. During the cooling-off period strikes, lockouts and picketing would be prohibited and the terms and conditions of collective agreements as of January 1 would be in force. The provincial cabinet would have the power to extend the period for an additional 14 days.

"Premier Dave Barrett said the bill tells the parties involved to 'grow up, get with it and get your heads together—if you can't do it, we will.' The legislation sped through three readings in seven hours, winning approval by a 46-to-3 vote. The dissenting votes came from three backbenchers of Mr. Barrett's New Democratic Party."

And so we see that Mr. Barrett, a person who, I think we would all agree, has a genuine social conscience and a dedication to collective bargaining rights, when confronted with these kinds of circumstances, was prepared to order the workers in that province back to work.

Then there is the province of Saskatchewan, because this bill addresses itself to removing certain rights that I think all of us find abhorrent to have removed. We will recall that prior to the last provincial election the government of Premier Allan Blakeney denied the opportunity—in fact, through legislation removed the right—of hospital workers in Saskatchewan to strike. He recognized that in his view it was a necessary step and he took that tough step. I would point out, once again, that when some people gain power the tune changes. The responsibilities of office make them take action that previously, as members of the opposition, they may have felt was detrimental.

8:50 p.m.

Because it serves as a possible example, but I am glad that it will not be so used, probably the most difficult legislation introduced at present is that of the Quebec government. It seemed to me that one of the previous leaders of the New Democratic Party felt the Parti Québécois had a social conscience. I do not say this in a malicious way at all because he thought that group, the Parti Québécois, had a social conscience but he did not agree with its separatist tendencies. It is important to say that when Stephen Lewis was the NDP leader he did not agree with them for that reason, but felt they had a social conscience—

Mr. Conway: I remember the glassy eyes of the member for Riverdale (Mr. Renwick) in the National Assembly in Quebec City.

The Acting Speaker: Order. I do request that the honourable members deal with Bill 179 as it is in the House.

Mr. Bradley: I am most certainly attempting to deal with it in a much more direct manner even than the member for Downsview (Mr. Di Santo) who spoke for five hours.

Mr. Conway: Seven hours.

Mr. Bradley: Yes, seven hours.

Let us see what they are doing in Quebec, to see whether that should be what we are doing instead of what we are doing in Bill 179. Some people have suggested it is because the Quebec government was elected with great support from the Quebec teachers' association and certainly from public servants. Let us find out what Quebec has done as a result of the economic difficulties it faces.

I have an article from the Canadian Press, October 4, 1982, with the heading "Adamant Parti Québécois Is Not Regarded as the Workers' Friend." It says: "The hard reality of the recession in Quebec—15.9 per cent unemployment and more in some regions, declining production and bleak prospects for recovery—underline the tough stand the Lévesque government is taking with the 335,000 employees on its payroll.

"Wage offers of zero and five per cent and proposals to take back acquired rights in the area of working conditions spell the end to any claims the Parti québécois may have had to being the workers' friend. Reining in the sacred cow of job security, the government proposed that job tenure only be guaranteed after two years of employment and said that in deciding future layoffs, it would like to keep employees on because of competence rather than seniority."

The wages of the 10,000 professionals mak-

ing over \$37,000 a year will be frozen for the duration of the current contract running until 1985, while those earning less would only get 3.27 per cent in the final year of the contract.

"The key to Quebec's negotiating strategy is Bill 70, a law passed by the National Assembly in June, cutting the wages of all public sector employees by 18.9 per cent in the first three months of 1983. The measure will save the government \$521 million, as it tries to keep its deficit below the \$3-billion mark." Does that sound familiar?

"Starting April 1 and for the remainder of 1983, the wages of civil servants, health and education workers will rise but will be frozen at a level below what they earned at the end of 1982. The law puts the squeeze on unions negotiating with the government. Because of the sliding scale built into the offers, the 110,000 public employees making more than \$25,000 would earn less at the end of 1985 than they do now.

"The average Quebec public employee will have an annual salary of \$24,345 on December 31 this year. Bill 70 will reduce this to \$19,614 on January 1, but the annual rate will rise to \$23,267 on April 1. The annual wage rate of the lowest-paid blue-collar worker would go from \$16,000 on December 31 to \$13,000 on January 1, rising again to \$16,580 three months later.

"Hardest hit by Quebec's hard-line approach are the 82,500 teachers in the province who won a generous wage and working condition package in 1980—just before the sovereignty-association referendum. Quebec teachers, with an average salary of \$34,000 a year, have the shortest teaching week in Canada and generous job security provisions. And it's no secret that they are among the most active PQ supporters and campaigned for a yes vote in the referendum.

"They did not deliver,' joked one wag, commenting on plans by Education Minister Camille Laurin, a former teacher, to increase the work week of teachers to 27 hours and stop paying them full salary when their teaching positions are abolished.

"Laurin drew comparisons with Ontario in presenting his view that Quebec teachers have it too good, noting that Ontario teachers work a 15 per cent longer work week and education costs are 25 per cent higher in Quebec.

"Yvon Charbonneau, president of the Centrale de l'enseignement du Québec teachers' union, called the proposals 'brutal' and made his own comparison.

"Despite its posturing, the Quebec union movement, caught between the rock of an 18.9 per cent pay cut and a potential hard place on the welfare line, appears to be taking the government proposals lying down. For example, the Fédération des affaires sociales, which represents about 71,000 hospital, community clinic and other health workers, is considered one of Quebec's most militant unions. But at its annual convention this week the union delegates conformed to the restraint line, urged union negotiators to keep their expenses down and voted down a resolution to add \$1 million to the strike fund through a special assessment on members."

I do not read these things into the record to be inflammatory. I read them into the record instead to indicate to members of this assembly what happens to even those who appear to be the most favourably inclined towards labour and the rights of working people in a political jurisdiction when they are confronted with difficult economic choices.

I am sure that none of the examples I have given are examples of governments that wanted to take this action. Indeed, many would agree that in British Columbia, Saskatchewan, Manitoba and Quebec some interesting and some favourable social legislation has been forthcoming and that many of the people who are elected with the support of organized labour in those provinces would not look kindly on having to implement policies that could be characterized as being so anti-labour, but with the responsibilities of office they were forced to do so.

Looking specifically at this legislation, I think there are some problems with it. The people I have talked to in the public service, if they did not sign a contract before September 21, are not happy about being confronted with nine per cent, even though so many of them said to me: "Well, under the circumstances a lot of us would have been hard pressed to get nine per cent anyway, but we do not like the nine per cent and we dislike the five per cent even more. But that is not the focal point of our objection to this, even though we consider it to be regrettable. Our main concern is about working conditions, about the fact that the government is removing certain rights from us in negotiations, particularly on nonmonetary items, which can be so very important."

The member for Oakwood (Mr. Grande) and I have been involved in Bill 127 for some time. We recognize, as I am sure most members of the

committee do, how difficult it is to define what a financial benefit is. There has been an honest difference of opinion. We have tried to pin people down on both sides of that issue as it affects Metropolitan Toronto, and it is difficult to do so. In the areas where most of us would consider nonmonetary items to be at hand or under discussion, some on the management side would consider that these are monetary items and would want to include them in any package. Those are problems.

I thought the people in the community colleges brought forward some real concerns that should be addressed when the bill goes to committee and should be addressed through amendments. They have contended the following: "The defects in this legislation, the most salient of which are listed below, will result in inequitable and unfair treatment of college teachers, counsellors and librarians. It will inevitably lead to a further deterioration in the quality of education for more than 139,000 full-time college students."

Here are the matters that should be addressed by both the government and opposition in committee and where amendments should be put forward.

9 p.m.

First, they indicate there is no mechanism for negotiation of nonmonetary items. For example, no access to arbitration, no right to strike over these items and no board of appeal. The government says people can continue to negotiate these items but, unless there is a possibility of a sanction being applied, whether that sanction is in some cases the right to strike to withdraw services, or even the right to compulsory binding arbitration, as some in the public sector have asked for at certain times—not always, most of the time not wanting it to be compulsory—they do not even have that opportunity.

Second, there is the danger of contract language being imposed by the employer. This is a real concern they have and something that should be addressed by the government.

Third, they say they do not have the type of job security other civil servants have. They are facing layoffs, even though the numbers of students are increasing. They had layoffs last year and there are layoffs pending, although at least 10 per cent more students have enrolled this year.

I make this comment, because one of the areas where we have to be very careful is that of transfer payments to municipalities, to boards

of education and to universities and colleges. If we are able to maintain them at a reasonable level while the government is holding down the salaries and wages, then at the very least these people would have their concern about job security addressed. I know many people in those circumstances and it is a genuine concern. Ultimately, the education of the students is affected.

Fourth, if next year colleges are given only a five per cent increase in funding, they will not have enough money. It is quite evident they cannot control some of their increased costs. They ask what happened to slip-year financing. There are expenses such as maintenance and equipment, which are fixed costs or are increasing costs, and that problem has to be addressed.

Fifth, what happens if the employer repeats the most recent offer, changing only the salary offer, for example, from six per cent to nine per cent? The most recent offer was rejected largely because of new language, which took away rights and protection they have had for years, as opposed to saying anything about the figures on increases in prices. They are concerned about the nonmonetary items. That is why they rejected the last management offer in that case. If they reject a new offer that contains a nine per cent salary increase because it still contains objectionable language, they will be forced to accept a zero per cent salary increase to keep this language out. In other words, they will have to bargain off their potential increase in salary against nonmonetary items.

Sixth, salaries of all college employees should be available to public scrutiny. Salaries for academic and support staff are already public knowledge. Salaries for administrative staff should be as well. The legislation is full of loopholes that would allow evasion of the law by artificially changing job titles. They are asking that management within the community college structure be hit with the same circumstances as nonmanagement people.

Seventh, they mention that when a salary is over \$35,000, there will be no merit increment after October 21, 1982, for two years. They call this inequitable treatment for employees within colleges, and I would like to address that briefly a little later on.

There are deficiencies in the bill, which I think can be addressed partly by the government and partly by those of us in the opposition who are willing to offer some reasonable amendments to this legislation. Let us look at some of the areas where there is a deficiency and where

the government or the opposition can attempt to fix up the bill.

First, there is the matter of equity, the matter of comprehensive wage and price controls. A comment I hear time and again from public servants is, "Why do you zero in on us?" They do not like wage and price controls. I think most people see them as administratively difficult and as maintaining some inequities sometimes. What they are saying to me is: "If everybody had to live under those controls, if we did not open the newspaper and read that some very powerful group was able to extract a 20 per cent increase while we are stuck with a five per cent increase, if that was not the circumstance, then we would find it easier to take wage and price controls. If you would come down as hard on prices and costs as possible, then we would find it easier to take."

There is the situation with Consumers' Gas, for instance, which indicates it is attempting to maintain the government guidelines, but when one examines its increases carefully—

An hon. member: I wish you would go back to Saskatchewan.

Mr. Bradley: I don't want to go back to Saskatchewan—

Interjection.

The Acting Speaker: Order. The member who is speaking out of turn is out of his seat as well.

Mr. Bradley: There is one course of action which is available. I could bring in the former member for High Park-Swansea to throw a book at the member who is interjecting, but I will not do that because the former member is busy running for city council in Toronto.

One way of looking at this is that it should affect everyone if it is going to affect anyone. Specifically, many in the public service have talked about the doctors. We in the official opposition and the people in the New Democratic Party have indicated that when you have a control program, the doctors, although they may not like it, should not be exempted from it, because they are paid from the public purse through Ontario health insurance plan premiums.

I see the Treasurer coming into House. That reminds me that we believe OHIP premiums should be held to the same level as wages and prices. We can keep the spending in line by eliminating the squandering of money on advertising Minaki Lodge, Suncor and 10,000 other areas.

Interjections.

The Acting Speaker: I am having real trouble here. Order.

Mr. Bradley: In our opinion the wage restrictions should not be retroactive into 1981 for those groups of affected employees who, unfortunately, would be caught by the retroactivity provisions. We think that the notching provisions, which are far less drastic than those in British Columbia, for instance, are simply not sufficient. However, the people at the lower end of the income scale should be permitted under the legislation to have a much larger percentage increase than those at the top end of the scale. We would hope that the Treasurer would modify his notching provisions so that those at the lower echelon would be able, in these difficult economic times, with costs going up, to meet their financial commitments.

I believe that, with the approval of the board, there should be equity catch-ups in situations where unfair treatment by the imposition of limitations can be clearly demonstrated. This brings me to the matter of the public health nurses in Niagara who, as the Treasurer will know, were on strike from early May of this year until the bill was put into effect. I believe their contract expired on February 15. They waited for a couple of months and then negotiated in good faith. They were looking for something pretty close to equality in per hour rates with those who work in hospitals. Anybody who knows the work that is done by public health nurses knows that what they were seeking was reasonable and just.

When the bill was introduced, they found themselves in difficult economic circumstances. They were offered 12 per cent and three per cent, or an eventual 15 per cent. They were not aware that the legislation was going to be implemented retroactively. Therefore, as I understand it, they did not come to a memorandum of agreement.

In our view they should have the opportunity to put their case to the Inflation Restraint Board. They should be permitted to explain that an offer had been made and, although they do not like it, under the present circumstances and because they had been on strike and without a contract for so long, they should be permitted that kind of increase which, I believe, at the present time would be allowed by management in this case.

It is always easy for the Minister of Revenue to say: "That is your tough luck. You take the gamble."

9:10 p.m.

Hon. Mr. Ashe: I did not say anything about tough luck. I said they took the gamble and lost.

Mr. Bradley: But when it is their friends—Morley Rosenberg took a gamble at running in Kitchener; he lost and he got a \$60,000 a year job.

Hon. Mr. Ashe: Some win and some lose.

Mr. Conway: Some lose.

Mr. Bradley: It was not the provincial judgeship he was promised or he said he was promised, but he got a \$60,000 a year job. I feel sorry for him because, of course, his salary will probably be held down by five per cent.

Mr. Conway: No gamble; a deal among blood brothers.

Mr. Bradley: That is the difference between the public health nurses in Niagara and Morley Rosenberg. Do not give me that guff about how people take chances, how they gamble and they accept the consequences.

Hon. Mr. Ashe: They gamble and some win and some lose.

Mr. Bradley: Morley got a job as so many of his Tory friends do when they are defeated in an election.

Mr. Conway: Some lose and therefore win.

Hon. Mr. Ashe: In the case of the feds they go into the permanent retirement called the Senate.

Mr. Bradley: It reminds me of the biblical quotation that, "The last shall be first and the first shall be last." If the member is so concerned about the federal government, why does he not run federally?

Mr. Conway: Don't let Bill Kelly walk into that chamber. Don't let Bill Kelly defile the chamber if that's the way you feel.

Mr. Bradley: Right. We also see a problem with the section which includes merit increases in the purview of this act. We feel it must be narrowed so as to exempt increases based on longevity or qualification. If the definition is not effectively narrowed the worker is subjected to double jeopardy in situations which contain pay scales within a certain pay range classification. The classification range may legitimately be subject to the five per cent limit, but the worker in the midst of vertical mobility from one pay jump to another is being doubly penalized.

I am familiar with this in the teaching profession. For instance, people who are receiving certain academic qualifications and have been teaching for a certain number of years, are at a certain placement within the grid. When they

achieve the degree known as Master of Education, they move up in the grid.

In effect, this will treat those people unfairly by saying, "Not only will your regular salary increase be held to five per cent, but the work you have done academically to upgrade yourself and your academic qualifications, and the extra year you have spent in terms of experience which we have recognized in the past, also will not be permitted if they are sending your salary over \$35,000." Those people are discriminated against.

There are also those people who are confronted with a problem with pensions. That has to be addressed and might be addressed in certain innovative ways. People who are in their last year in circumstances where the best five years or the best seven years are what the pension is based on might have a provision where they would be paid somewhat more than what we see in the provisions under this bill. This would allow their pensions to continue in a fair fashion.

That requires some innovative thinking on the part of the government. There are a lot of people on the payroll who could surely dream up some reasonable way of overcoming that problem.

We believe all government-controlled prices must be included in the application of this bill. Specifically, as I have indicated, this means Ontario health insurance plan premiums and Workmen's Compensation Board premiums which must fall under the act.

We believe all economic criteria by which price increases are to be reviewed must be published regularly in the Ontario Gazette whenever they are formulated and changed. Objective criteria must be set out in the bill by which a price increase must be referred to the board for review. At present, the minister may or may not refer the matter to the board, depending on whether he has formed the opinion.

On what basis is he to form this opinion, we wonder. Where is the opinion to appear? There must be a mechanism by which the weight of the review board will automatically swing into effect. There are certain provisions to pass-through costs. These should not be automatically 100 per cent. The extent of the pass-through must be reviewed. A mechanism similar to that which exists in the landlord-tenant situation might be borrowed: namely, a minimum increase of five per cent is permissible automatically and anything above that could go through only with the approval of the board.

The board in itself is pretty autocratic. It has the kind of powers that we in the opposition do not want to see it have. The operation of the board in all of its decisions must be held accountable to a higher body, in our opinion. This means that reasons must be required for all decisions, on both wages and prices. Moreover, some sort of hearing, along with an opportunity to be heard for someone who is to be affected by a decision of the board, must be present in the bill.

The members will recall that in the wage and price controls which were implemented by the federal government in 1975 at least there was a provision for an appeal of a decision of the board. We feel it is essential the bill be amended so that there is a provision for that kind of an appeal. That is not contained in this legislation. Explicit appeal procedures from decisions on both wages and prices must be built into this bill.

To the maximum extent possible, the process of free collective bargaining must not be suspended. This means the right to strike must not be abrogated. In turn, this means that collective agreements are not, by operation of the bill, automatically unilaterally extended for a period of time to coincide with the extension of the compensation plan. Only the compensation plan should be so extended, if that is what the government is intent on having in its bill.

The risk of work interruptions is worth the benefit of preserving the collective bargaining process. I would like to see this accomplished by an amendment which simply deletes certain sections of this bill.

For instance, when people are faced with a nine and five per cent guideline from the government, the suggestion that they are going to go on strike anyway, when they know the legislation says they can only get that much, is silly. They are not going to do it.

But in terms of nonmonetary items, there might well be changes undertaken arbitrarily by management at the expiration of the contract which could be totally unacceptable to the employees. These could abrogate their civil rights or could affect their health and safety. There are a number of reasons for nonmonetary items. We believe there should be a provision in the bill for the continuation of the collective bargaining process so that the sanctions which are in existence at present, which have that kind of special right, a right to which they are entitled, are not removed under this legislation.

As appears in the Ontario Human Rights Code, there is a price put on companies for

doing business when they are obtaining funding from the government. That is another area I would like to address because one can put on stipulations. For instance, those private sector companies which fall into this category should submit, at least, their price structure within Ontario, and perhaps other costs, to the scrutiny of the board.

The adoption of this bill could be linked to certain other concessions, for instance, a commitment on government expenditure in advertising, on major capital works; the introduction of a mini-budget which we would want to see along with this bill; compensating payment into the public employees' pension superannuation fund over and above the five per cent. I think that is how one could overcome the problem of those who are adversely affected by wage and price controls in the specific year that they are nearing retirement: by making a compensating payment into the public employee pension superannuation fund over and above the limit of five per cent.

Mr. Nixon: You have lots of time.

Mr. Bradley: My friend, the House leader for the Ontario Liberal Party, says that I have lots of time—

Mr. Nixon: It is getting good.

Mr. Bradley: —but I would not want to continue on all night. I believe the member for Lake Nipigon (Mr. Stokes) is next and I always enjoy his contributions in the Legislature.

With no affront to the gentleman who is in the chair at the present time, I always enjoyed the member for Lake Nipigon's work as Speaker. The only detrimental aspect of having him as Speaker was that we did not have, let us say, the opportunity to hear his contributions to the House as a private member. But I always respected him for his impartiality as Speaker. Particularly, I loved the days when he came down hard on the members of his own party. At that time, of course, they were not his own party but they are once again.

The Acting Speaker: On Bill 179.

Mr. Bradley: But, Mr. Speaker, I know you want me to deal with Bill 179. I know that you would want to know what the Toronto Star had to say about Bill 179. On Saturday, August 21 of this year, under the headline of "Davis Should Lead the Way," it stated—and finally we had, as I say, one small component of a total package but not the entire package. It said:

"Premier William Davis should not play at being a shrinking violet next week, when the

provincial first ministers meet in Halifax to discuss the country's economic plight. Strong, nationwide measures are needed to curb inflation and to stimulate recovery—and Davis's reluctance so far to publicly push for them can only be a sharp disappointment to the people of this province.

9:20 p.m.

"The statistics Davis will bring to Halifax outline the need for action. In Metro Toronto, the cost of living is up a painful 11.4 per cent over last year, cutting deeply into people's living standards. Unemployment in Ontario stands at 8.6 per cent, and is expected to worsen to 9.3 per cent next year. If we're lucky, the province's economy will grow by a modest 2.9 per cent next year, barely cancelling out this year's slump of 2.6 per cent.

"If the Ontario economy—and indeed that of Canada as a whole—is to be turned around, the provincial Premiers will have to contemplate sweeping measures. Across-the-board wage and price controls are needed to curb inflation; government spending is required to spur investment, to create jobs and to reduce the burden of interest rates on individuals and business firms; and public confidence must be restored in our governing institutions.

"In the privacy of the Halifax meeting, Davis should strive mightily to convince his fellow Premiers of the need for joint action along these lines. And if Davis fails to win agreement, he should return home"—that is the key point—"and implement the measures here, as Liberal leader David Peterson proposed this week. The people of Ontario need not put up with economic mismanagement simply because other provincial Premiers aren't willing to tackle the problem."

That is why we wait with great anticipation to have revealed in the House the Treasurer's shopping list, those items he will undertake if the federal government does not take the action he feels is necessary. But we have not seen him show his cards up to this time.

I continue with the article: "The case that Ontario dare not impose across-the-board wage and price controls or dig deeper into the provincial Treasury to find money to revive the economy simply isn't convincing.

"The Ontario government is fond of citing the provincial deficit as an excuse not to spend money to spur growth, create jobs and protect the province's wealth-generating capacity. If we increase the deficit, the argument goes, our international credit rating may suffer.

"But that very credit rating is based in part on the government's financial health and tax-raising potential, and on the province's economic potential. And since both are being weakened by the current economic slump, prudent management would argue for more—not less—government spending to boost confidence in our province.

"For his part, Liberal leader Peterson makes sense when he says Ontario might well impose the mandatory, across-the-board ceilings of six and five per cent on wages and prices that Ottawa has urged, but not yet found the will to enforce. While a full national policy of controls imposed by Ottawa or agreed to by the provinces would obviously be more desirable, Peterson's proposal is far from being the non-sense some short-sighted critics have made it out to be.

"Putting a ceiling on wages and prices would cut inflation generated here, by helping to curb the rising prices of goods and services ranging from housing to autos to clothing to furniture. The consumer would benefit from at least that much, even if some costs—for energy, goods from other provinces or abroad or even the cost of interest rates—could not be effectively controlled." He is talking provincially.

"Indeed, even if every other province were to spurn controls, Ontarians would in the longer term benefit from self-imposed controls, because our province would become more attractive as a place where companies might invest and create jobs. And across Canada and abroad, wider markets would likely open up for Ontario's cheaper goods, further spurring our own economic growth.

"As he travels to Halifax next week, Premier Davis should firmly resolve to seek a national consensus on wage and price controls and on economic stimulus. Failing that, Ontario should go it alone." Ontario has chosen not to go it alone but to wait and hope the federal government will bail it out. The wait could be a long one.

There are certain items the Treasurer could undertake that would alleviate part of the inflationary pressures we face. He says he has no control over energy prices and he questions whether the Ontario Energy Board has any option but to pass through certain costs of the companies that are producing energy for Ontario or providing energy to Ontarians.

For instance, I would say that the *ad valorem* gas tax allows the provincial Treasurer to help those people who are hit by inflation that is stimulated by that tax by returning it to its

former basis, that is, a fixed per gallon or, as we say nowadays, per litre tax as opposed to a tax which increases every time the wellhead price of oil increases and filters down to Ontario. There is convenience there. The government blames the feds for the increase in Alberta and then it takes the revenues derived from it and uses them for its own purposes.

There is a chance for the Treasurer to alleviate part of the inflationary burden on the people of this province. I could probably go on with many other suggestions. I know other members who will be speaking will be doing that.

Today, we find ourselves confronted, not with an economic package that we in the opposition had called for, not with comprehensive across-the-board wage and price controls even in isolation of an economic package which would at least have hit everybody fairly, in the same way, contemplating controls that would have some effect on prices and costs. Instead, we have a single bill, Bill 179, which zeroes in on one specific aspect: public sector compensation. As part of a total package, it probably would be acceptable, but in isolation it is not very acceptable. It needs tremendous changes through amendments in the committee to be proposed by the opposition and, we hope, by the government when it has received representations from those groups who are directly affected.

I implore all members on the opposite side to ask the Treasurer and those who are the real power brokers in the Progressive Conservative government to modify their legislation to make it fairer. I ask them to address the items I have mentioned tonight. I ask the people in the Conservative caucus to bring their influence to bear on the power brokers in their party to assist those people who are adversely affected by the bill. That is the first thing.

Second, I ask that they urge their government, their Treasurer and their Premier, as we in the opposition have, to bring in a total economic package designed to help bring about economic recovery in this province, including a package that has a strong influence on job creation within the boundaries of Ontario. At the present time I see unemployment as our number one problem and inflation a close second. We need many more components to this economic package before it is acceptable to those of us in the opposition and to the people of Ontario.

Mr. Conway: Jobs for more than Morley and Omer Déslauriers.

The Acting Speaker: Order.

Mr. Bradley: In the short term, by zeroing in on one specific segment of the population the government may have public opinion on its side, but ultimately, since the rest of Ontario does not really benefit very much from this isolated economic measure, it will find that public opinion will not be appeased by this one gesture which gives the government the opportunity to appear to be doing something about the economy.

The government has 70 members across there, and we in the opposition are limited in the actions we can take to persuade or force the government to take the kind of measures we feel are necessary. Therefore, I appeal to the members of the government party to take into consideration those things I have mentioned this evening, to amend the bill fairly substantially and to bring in the total economic package which all of us would like to see to bring about economic recovery in the province of which we are so proud.

Mr. Stokes: Mr. Speaker, Bill 179 is the brainchild of the Treasurer of this province (Mr. F. S. Miller), aided and abetted by other members of cabinet and by the Premier (Mr. Davis) trying to emulate his Tory friends in Ottawa, knowing full well that he would get the support from the Grit-Tory cabal in this assembly.

Mr. Conway: Nelson Riis is neither Grit nor Tory.

The Acting Speaker: Order.

9:30 p.m.

Mr. Stokes: It is a Grit-Tory alliance, a compact, almost a conspiracy bordering on fraud and hypocrisy, and it is designed for no other reason than to create the illusion that the Grit-Tory compact in Ottawa and Queen's Park is doing something about unemployment, inflation, high costs and high interest rates.

I want to refer to what the Premier said on the introduction of this bill on September 21, and I quote from page 3606 of Hansard:

"It is our view that some more appropriate mix of fiscal and monetary policies, some middle ground between restrictive monetary and expansive fiscal policies, is necessary to achieve real and sustained economic growth. . .

"One central element in such a recovery package is a national incomes policy. A comprehensive program of wage and price controls for all Canadians would have several advantages. It would reduce inflationary expecta-

tions; restrain domestic cost pressures and improve our competitive position; spread the cost of combating inflation across a wide spectrum of society, and demonstrate economic leadership at a time when consumer and investor confidence is at an all-time low in our country."

It is my personal view and it is the view of members of this party that it will do none of those things. Let me remind the Treasurer, who is leaving, that it was this government and that party over the past 40 years, and the Liberals for much of the 40 years in Ottawa, that presided over the economic mess in which the Conservatives in Ontario and the Liberals in Ottawa find themselves at this time.

This bill is designed for no other reason than to create the illusion that, as a result of this very selective jackboot treatment of a very limited sector of our work force in Ontario, all will be well by riding roughshod over some 500,000 workers in the province who have been earmarked, designated and fingered by the Treasurer as the brunt of this bill, which is supposedly going to effect economic recovery for the people in Ontario.

Canada's and Ontario's economic problems have very little to do with workers' wages. The root cause remains our overdependence on foreign capital and the consequent loss to the Canadian economy that foreign investments and foreign borrowing represent.

A measure of that loss can be determined by examining Canada's international balance of payments position. In 1981, our investment income deficit in the service account had reached a staggering \$10.3 billion, up 48 per cent from the year before, 1980. To that \$10.3-billion outflow of investment funds must be added the \$21-billion deficit in the manufacturing account. In the two accounts that reflect the structural problems of the Canadian economy—underdeveloped manufacturing and overreliance on foreign capital—\$31.3 billion was lost to our Canadian economy in 1981.

Some simple projections underscore these figures and put them into graphic relief. Between now and the end of the decade, \$279 billion in 1981 dollars will be lost to the Canadian economy. This projection does not account for any growth in our deficit or even for the effects of inflation.

The outflow of \$279 billion is directly attributable to foreign ownership and foreign investment. That loss is the equivalent of 107 companies the size of General Motors, which in 1981 had Canadian assets of \$2.6 billion. That amount

of money will leave the country between now and the end of the decade. Expressed in more personal terms, that loss represents \$26,571 for every working man and woman in Canada over the next nine years; in other words, one year's family income for 10.5 million people will leave the country.

Given these consequences, how can the Ontario government continue to justify and advocate an economic policy that encourages more foreign capital, more foreign control and even more foreign investment?

When we have such statistics and so convincing an argument as that, which make it quite obvious to anyone who cares to look at the economic plight we face in Canada and Ontario today, one has to wonder why this government, aided and abetted by its federal counterparts, is playing around with a six and five per cent restriction or a nine and five per cent restriction over the next two years.

I do not believe the people in Ottawa are malicious, nor do I believe the people over there are deliberately malicious, but one has to wonder what the thinking processes are of people who devise policies like this, which merely tinker around and do nothing more than create an illusion that something substantial is being done to reduce unemployment, to bring down interest rates, to bring down the rate of inflation and, I suppose more important than anything, to make us masters in our own house.

9:40 p.m.

One has to wonder what the high-priced people do for the money we pay them, whether it be Governor Bouey of the Bank of Canada or the literally hundreds of financial experts up in Ottawa. One has to wonder what the people in the Frost Building do to convince the Treasurer that he should come in with this kind of a policy simply to create the illusion that if we tinker in the way that is envisaged by Bill 179, something worthwhile, something useful and something productive will come out of it.

I am not convinced this action will create even one job. It might save a few jobs, as has been alleged by certain people. That is, if we sort of share the existing pot, it might mean we will not have to lay off as many people in this 500,000-worker group. If anything, that is all it will do.

I did not hear anything by way of justification, and I listened very carefully to the Premier and the Treasurer as well as to the Minister of Consumer and Commercial Relations (Mr. Elgie), the minister charged with bringing in what is

very loosely called a restraint initiative, a restraint package, without defining anything by way of specifics.

If we in this party are sceptical, and if I personally am very sceptical and a little jaundiced, I want to give a few specific reasons why I think we have cause to be that way. I did not agree with very much that my friend the member for St. Catharines (Mr. Bradley) said, but some of the things he said made some sense. The position he is taking with regard to this bill makes no sense, but some of the things he said in addressing himself to the bill, I will confess, did make some sense.

He referred to the ad valorem retail sales tax on gasoline. Members know the dialogue we entered into during second reading earlier this year on a bill to amend the Retail Sales Tax Act and on another bill to amend the Gasoline Tax Act. At that time, we spoke of the effect that kind of regressive, invidious sales tax would have on people who pay a much higher base price for such an essential commodity as gasoline.

I see the Minister of Revenue (Mr. Ashe) is over there talking to his colleague, and I am sure what he is saying is extremely important, but at that time he assured all of us, particularly me coming from northern Ontario, that the 20 per cent ad valorem tax on gasoline would not be applied specifically to the base rate for that commodity in northern Ontario but would be applied on the basis of an average.

I do not distrust the Minister of Revenue, but I want to know from him why, in this day of our Lord 1982, when I pick up a paper from Kitchener I see that there is a gas war there, and when I pick up papers from many parts of the province there seems to be a gas war on and the price ranges anywhere from 38 cents a litre to 42 or 44 cents a litre.

I want to report to the Minister of Revenue that, since he gave me his assurance that the ad valorem gas tax would be applied in a very fair and equitable way across the province, we along the north shore of Lake Superior are now paying 48 cents per litre, or 45 cents per gallon more—

The Acting Speaker: With special respect, I remind the honourable member that we are on Bill 179.

Mr. Stokes: That is right. You need not remind me, Mr. Speaker, because I am talking about the effect of this bill on people who have to live in northern Ontario under the policies created by this government. If that is not relevance, I do not know what is.

Hon. Mr. Ashe: On a point of personal privilege, Mr. Speaker: I think my name was referred to in a specific item, and I think it only fair to have the record state right away that the assurance I gave to the member for Nipigon last year is exactly what applies.

On the example he just gave, I can assure him here and now that the ad valorem gas rate—in other words, the tax that accrues to the province—is exactly the same on the litre of gas that he says is retailing at 48 cents in northern Ontario, and I do not disagree with him, as on the litre of gas I saw for sale tonight in downtown Toronto at 35.4 cents.

The ad valorem rate is identical on both those litres of gas, exactly as I assured the honourable member last year. It is based on a median price in a relatively short range of Metropolitan Toronto, where the market is traditionally most competitive.

The Acting Speaker: Thank you. We are dealing with Bill 179.

Mr. Stokes: I am glad for the intervention of the Minister of Revenue, because it highlights the inefficiency in the free-market system. The free-market system that applies to everybody across the province, and particularly to the 500,000 people who are being adversely affected by this bill, affects to a much greater extent the people living in northern Ontario, who pay 48 cents a litre for the same product that, my friend just reminded me, at least one retail outlet in downtown Toronto sells for 35.4 cents per litre. Now, multiply that by 4.4.

Hon. Mr. Ashe: By 4.56.

Mr. Stokes: There are 4.56 litres in a gallon. I thank the minister very much.

The provisions of this bill have the same effect on a percentage basis right across the province. I want to remind everybody on the opposite side of the House, but particularly the member for Cochrane North (Mr. Piché) and the member for Sudbury (Mr. Gordon), that whenever one applies an impost, a tax, a duty, whatever it is, across the board, it works a greater hardship on somebody who is paying more for that product or service to begin with, whether it is gasoline, which I used as an example, or fuel oil.

9:50 p.m.

I do not have the exact quote, but I do know it has gone up by almost 100 per cent in less than three years in areas of the province where we do not have the option of natural gas, which they are going to keep to 85 per cent of the cost of oil.

That is an option that is not open to residents in northern Ontario except along the Highway 11 corridor.

Mr. Speaker, you asked me to be relevant. I want you to hesitate and think. I do not expect you to answer, I know you cannot, but I want you to tell me by way of a nod whether I am being relevant when I talk about these discrepancies and the injustices of imposing a six and five per cent wage increase over the next two years right across the province regardless of the circumstances.

I want to get into another aspect of the injustices that are being wreaked on the people of northern Ontario by this approach. The Treasurer has said anybody who collects money by way of a fee, royalty or licence in the province will be restricted to six per cent this year and five per cent next year. That goes for everybody who does business with or on behalf of the government.

I want to refer to an impost that was imposed not too many months ago. It is not being treated in the same way that the wages of people who are affected by this bill will be. If a driver of a four-cylinder car is hoping the five per cent provincial restraint program is going to save one from a hike of 60 per cent in licence plate renewal next year, he should not count on it.

"All the Ministry of Transportation and Communications is promising at this time," said a spokesman, "is that the increase may be reviewed by the committee headed by the Minister of Consumer and Commercial Relations." Next year a universal fee of \$48 comes into effect for all cars regardless of horsepower or number of cylinders.

"At present, fees are \$30 for four-cylinder cars, \$45 for six and \$60 or \$80 for eight cylinders depending on the power. Under the new fee system, the six-cylinder driver gets a 6.3 per cent increase, while the driver of the bigger car gets a reduction of at least 20 per cent.

"Northern Ontario drivers are getting a 140 per cent boost, but they will still be paying a lot less than those in the south. Their fees go from \$10 to \$24. Northern Ontario is designated roughly as being north of the French River. The ministry says it came up with the \$48 and \$24 fee because it needed numbers divisible by 12 so the new method of licensing and birth dates could be inaugurated."

Do the members know that, for years and years in this assembly, the reason they maintained the differential in the cost of registration and licence plates between northern and south-

ern Ontario was to compensate for the high cost of gasoline in the north? It partially compensated for it. But now the government is taking that away from us and is adding insult to injury by imposing a 60 per cent increase, something the Treasurer and the Premier both assured us would never happen; and it is done with a straight face and without even considering the impact it will have on people who live north of the French River. It was a small advantage that was given us for very legitimate reasons. The government is taking it away from us, and we do not like that.

I want to get into the subject of hydro rates. Perhaps my friend the member for Sudbury will show some interest in this. I understand that he took the time and trouble to make the effort, either personally or in writing, to express his displeasure to the Ontario Energy Board over an application by Ontario Hydro before that board to rearrange the method of charging its customers throughout Ontario.

For purposes of my argument in my particular case, it is a question of changing the rate for the time of year that the power is used and for the amount that is used. It is called a seasonal differential in the price of power supplied by Ontario Hydro. I spoke to Hugh Macaulay and several of his colleagues at the glass palace here, and I know that the member for Sudbury took strenuous objection to the fact that this change was going to have an impact on users of Ontario Hydro in northern Ontario. The amount involved is not large, but there would be a definite impact.

I do not think I have to tell you, Mr. Speaker, or the Treasurer or anybody in Ontario Hydro, because everybody knows it: If one has to rely on electric energy for heat, hot water and all the many useful things we do with hydro power, and the rules of the game are changed to reflect time of use and to increase the rate in the winter months, because ostensibly it costs more to produce it, then the users are going to pay more.

When Sir Adam Beck founded Ontario Hydro many years ago, he did it on the basis that it was to be power at cost. I remember very well when I was a member of the Ontario Municipal Electric Association as a local commissioner in the Thunder Bay district, I was charged with the responsibility of heading up a load building committee on the grounds that the more power one used, the cheaper it was. That was very fashionable with anybody who worried about such things, until a very few years ago when they scrapped all that and said, "Conservation is the

name of the game." How quickly they shifted gears.

10 p.m.

But for purposes of rearranging the rate that Ontario Hydro charges its customers, who is getting it in the neck again? The people in northern Ontario are, the same people on whom they are imposing this six and five per cent wage freeze. There are many of them among the 500,000. Whether they be teachers, hospital workers, employees of the Ministry of Natural Resources or of the Ministry of Transportation and Communications, these are the people the government is hurting in so many ways, in some instances small.

But the collective effect of all these things works an unfair hardship on people living north of the French River, who pay more for cars, gasoline, home heating oil and electric energy, and, on top of it, pay a seven per cent sales tax on an even wider range of products and services as a result of the expansion of the retail sales tax in the Treasurer's last budget.

Why did he do that? We all know this government has the wit to sell a case of beer at the same price right across the province regardless of what it costs to get it up north. Similarly, a bottle of liquor is uniformly priced right across Ontario. But what does it do when it comes to an essential commodity? These are the kinds of things the government does without thinking and without sitting down to analyse the consequences which get so many of the people I represent riled up.

We talk about restraint and the things governments can do to lower the deficit, with the hope of bringing down interest rates and inflation and making Ontario a better place to live. I could go on at great length, giving many instances of where money has been wasted, literally thrown away. It is not because the government over there is malicious. It is not because it has some nefarious scheme to throw away the taxpayers' money. But it does happen.

If there were one penny the government could save to reduce the deficit by introducing a bill such as Bill 179, I might be persuaded that at least it was a very slow and halting step in the right direction. But I want to tell the Treasurer that I am not persuaded that this bill is going to change anything, that it will improve his deficit position, create employment, reduce the rate of inflation or bring down interest rates one single solitary jot.

By way of illustration, and since I am lumping what is going on here with what is going on in

Ottawa, I want to give two instances of waste. First, I want to quote from a column by Frank Howard in the *Ottawa Citizen* on September 27:

"Ed Clark, on sabbatical leave with his family in Paris, seems surprised and hurt by all the reaction that his year off has caused back home." That is, in Canada.

"Last Thursday, Clark, assistant deputy minister of the energy sector at Energy, Mines and Resources, was finally reached by telephone at his new home in the French capital by the head of the *Citizen's* national bureau. He told national editor Iain Hunter that he was baffled by all the 'ballyhoo' and that he hoped the publicity would not spoil the prospects of other senior mandarins seeking similar relief from the pressures of Ottawa.

"It's hard to say what role the publicity surrounding his expensive sabbatical has played in putting the lid on other bureaucrats' sabbaticals, but it seems that there will in fact be restrictions on this sort of thing for the immediate future, if we are to believe press reports of a letter sent by Treasury Board president Don Johnston to departments and agencies. That letter, we are told, bans sabbaticals and costly overseas language training as part of the government's restraint program.

"As for the 'ballyhoo,' not to mention outrage, surrounding the Clark expedition, I think I can suggest a few explanations.

"First of all, there is the size of the expenditure. It looks, on the basis of the unofficial budget I had obtained, that the year was originally conceived as something that might last 15 months and cost more than \$200,000. It is now clear from both Clark's tenant in the Glebe and his own assurance, that he will be back next August, 12 months after his departure. That leaves us with an estimate of about \$172,000, which includes his \$76,000 salary (at the time the budget was drawn up), a \$35,000 moving allowance, a \$13,000 overseas allowance, a \$20,000 housing allowance, a \$20,000 education allowance for him and his family and various other amounts for travel and research too small to mention."

One has to wonder just how serious the federal government is about coming to grips with this deficit, which is estimated to run anywhere from \$22 billion to \$26.5 billion, when this nonsense is allowed to go on.

I am going to cite another abuse. I am going to quote Davidson Dunton of the Institute of Canadian Studies at Carleton University in Ottawa. The very nature of this example will

come pretty close to home over there. Let me try it.

"NEP Ads an Insult to Citizens" is the headline of this article. It says: "A full-page advertisement published recently in a number of newspapers by the federal government proclaims that complete energy security for Canada is two inches away as measured between someone's forefinger and thumb. The text shouts that the national energy program is working, that the bringing of oil sufficiency is exactly what is happening."

To quote Mr. Dunton, the author of the article: "That is at best an opinion and only an opinion. Many familiar with the oil business disagree and many who study Canada's economic problems believe that the NEP has contributed seriously to our balance of payments problems and hence our high interest rates."

10:10 p.m.

Hon. Mr. Norton: Is that the NDP?

Mr. Stokes: The NEP, the national energy program.

"But the real issue for our parliamentary democracy is not whether the opinion being promoted is right or not. What is fundamentally wrong is that a government is spending taxpayers' money to push one side in a major public debate. Such advertising is an insult to citizens who can make up their own minds on national questions. It is a blow in the stomach to some taxpayers to see their contributions being used to promote views with which they disagree. It is unfair to political opponents of the government and it is a blatant waste of public funds by a government that is crying for restraint. It may be proper for a government at times to advertise to inform citizens about programs in which they may wish to participate. It is misappropriation when a government uses public funds to trumpet that its policies are just great.

"Signed, Davidson Dunton, Institute of Canadian Studies, Carleton University, Ottawa."

In my absence, when I was hosting the Lieutenant Governor in the riding of Lake Nipigon, I know my friend the member for St. Catharines and other members, including the member for Port Arthur (Mr. Foulds), talked about a \$40-million budget, estimated to be the amount this government spends on advertising each year.

Hon. Mr. Norton: Now that is a rough estimate.

Mr. Stokes: It is rough.

Hon. Mr. Norton: Not on advertising.

Mr. Stokes: The minister has reminded me of a quote somebody gave me just before I started to speak.

Hon. Mr. Norton: If it came from Scarborough West, don't use it. It will get you into trouble.

Mr. Boudria: Maybe it came from Kingston.

The Acting Speaker: Order.

Mr. Stokes: The minister said that was a rough estimate.

Hon. Mr. Norton: Very rough.

Mr. Stokes: This bill is—

The Acting Speaker: Bill 179.

Mr. Stokes: Yes, Bill 179. Had you been listening, Mr. Speaker, you would have known I was right on Bill 179.

This bill is not even rough justice; it is just roughness, that is all. It is something that is just a little bit below what I would expect of my friends—

Hon. Mr. Norton: Do you think it should be higher?

Mr. Stokes: No. What I am saying is that if the government is really trying to attack the structural problems in our economy—and I do not absolve the federal government; it would be much easier if we were able to do it on a national basis, but obviously that is not to be—there are so many innovative and imaginative ways this government could use the \$22 billion plus we spend every year on at least making a tentative, a halting, a first tiny step towards an economic recovery for people in this province. It does not have to use the heavy jackboot on the 500,000 people who rely on the Treasury of this province to fund the worthwhile jobs that they do in so many ways, whether it be those in the Ministry of Natural Resources or the Ministry of Transportation and Communications, or whether it be hospital workers or teachers.

Mr. Speaker, you and I know the excellent work these people do on our behalf. I think it is beneath this government to trot in a bill like Bill 179 to try to create the illusion that it will do something positive to fight inflation. What it is doing is to oppress those who are the least capable of coping with high inflation and high interest rates, some of whom are struggling to keep or to find employment. To suggest that this bill is going to change things in any material or fundamental way is in my estimation close to hypocrisy, close to a fraud being perpetrated on the eight and a half million people in Ontario, particularly the 500,000 people the government

is stepping on in an unconscionable way under this act.

My whip has told me that my time is up. I want to say that my displeasure with this bill is great and that I oppose it.

Mr. Haggerty: Thank you, Mr. Speaker, for providing me with the opportunity to address Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

I have some strong reservations as to whether I should be supporting the bill. I find, like many other members, that the bill does not go far enough and does provide areas of inequity. The government has certainly singled out one particular sector to which to apply the restraint program, and that is the public service employees of the government of Ontario, the public service in municipalities and other government agencies. For some unknown reason, this particular group of individuals has been singled out for application of a restraint program.

I was not going to enter the debate but I was provoked by the letter I received from the chairman and chief executive office of the Royal Bank of Canada, dated September 19, 1982. The heading reads, "Canadian Confidence: A Long Night's Journey into the Day." I suppose we can be thankful as members stand up today and say that we have seen some daylight in the past two or three days because the interest rates in the United States have finally come down. We can be thankful, I guess, that this is an election year in America or we would never have seen that daylight.

I am looking at the comments I will be quoting from this letter. It mentions a huge deficit which leaves little room for interest rates to come down to where they should be, that is the huge government deficits both federally and provincially. It goes on to state the areas causing inflation and its relation to unemployment.

It says: "Although the national concern, as mirrored in opinion polls, has shifted through the last few months and unemployment is now the number one worry of Canadians, we should make no mistake. Unemployment is not the number one problem; neither is the exchange rate nor government deficit nor interest rates nor falling profits nor corporate liquidity nor the demise of the long-term bond market, nor investment speculation." It says the major part of every one of those and of dozens of others is rooted in just one cause: inflation. But it does not go on to say what causes inflation, and

perhaps that is the area in which I want to make my comments.

10:20 p.m.

Following along the banking—

Mr. Epp: The bank profits.

Mr. Haggerty: The bank profits, as my colleague says; that is a matter that I suppose is of concern to all of us. I was a member when controls were applied in 1975. It was interesting to see the areas where the government programs were attacking inflation. I can tie this in with the comments of the bank message that was provided to the chamber of commerce. This is from the guidelines established in 1975, *The Attack on Inflation: A Program of National Action*, a policy statement tabled in the House of Commons by the Honourable Donald S. MacDonald, Minister of Finance, in 1975.

It says: "The program that the government is setting in motion has four main elements: fiscal and monetary policies aimed at increasing total demand and production at a rate consistent with declining inflation; a government expenditure policy aimed at limiting the growth of public expenditures at the rate of increase in public service employment; structural policies"—and we heard the previous speaker talk about this—"that deal with the special problems of energy, food and housing, ensure a more efficient and competitive economy, and improve labour-management relations; and prices and incomes policies which establish guidelines for responsible social behaviour in determining prices and incomes of groups, together with machinery for administering these guidelines and ensuring compliance when necessary."

Look at these guidelines established back in 1975. There were some good measures that came out of the Anti-Inflation Board guidelines. One was to control bank profits and another was in the area of automobile insurance. I can recall, I think, two different occasions in 1976 and 1977 when I did get a rebate from my automobile insurance premiums. It was given in the form of a rebate. I might say that was State Farm. Perhaps other companies did not come through with that, but there were huge profits made there.

Other areas that were controlled were of benefit to all of us. I think of areas my colleague the member for Welland-Thorold (Mr. Swart) often talks about, controlling the economy and perhaps bringing in more regulation and so forth. I think we should be thankful that we do have some regulatory bodies such as the Ontario

Energy Board. Regardless of whether we may believe in the system or not, it does serve a purpose. If Consumers' Gas wants to increase the price of natural gas to homes and so forth, it has to justify that price increase.

The same thing applies to the Canadian Radio-television and Telecommunications Commission, which has to review increase proposals put forward by Bell Canada. There is a body there that says Bell has to justify that price increase. The same thing applies to Ontario Hydro when it applies for increased fees for higher consumer costs in relation to monthly bills and that.

Mr. Conway: Get Morley Rosenberg down there in Fort Erie.

Mr. Haggerty: Yes. What a way to think about it.

They have to justify that cost. We do have some government agencies there that have to justify cost increases and perhaps there should be other areas where we can apply the restraint program to justify price increases and so forth. I think the Milk Commission of Ontario is another one that kind of sets the price for milk that is given to the producers in Ontario. It has to be approved by the milk commission and it is approved by the Ontario Milk Marketing Board. So there are safety valves in the system.

But when one looks at the monetary policies that were established in 1975, this is the central task of the fiscal and monetary policy. The government has repeatedly emphasized its rejection of the use of severe monetary and fiscal restraints to stop inflation at a heavy immediate cost in terms of unemployment and forgone output. Lowering the rate of inflation and reducing the level of unemployment must go hand in hand.

I think we have to agree with that, but if we look at the past experience with wage and price controls, we will find out from graphs for 1975, 1976 and 1977 that unemployment increased during the restraint period, 1975-77, while inflation still continued to climb. I can see the same results now. There is little concern about the unemployed persons in Ontario. In fact, sometimes I have to hesitate in the mornings before turning on the radio to find out what is happening in the Niagara Peninsula because every time I turn on the radio it means another announcement of another layoff. My colleague the member for St. Catharines (Mr. Bradley) will bear out the fact that General Motors announced this morning that there would be 750 more persons unemployed.

I suggest that the government has not taken a clear look at the guidelines it wants to put forward which are going to bring in some restraint programs. It is interesting that the budget policy laid down in 1975 did not include monetary policies related to banks. It had very little control over them. That was perhaps the beginning of the increase in the interest rates. It raises a question in my mind, and perhaps in the minds of other concerned citizens as well, about whether the money-changers are responsible for the high inflation we see before us at present.

It is interesting to note, in looking at the banking industry in Canada, that the money market and money market dealers operate within the broader context of the capital market in which short-term capital is raised and invested and in which short-term securities, such as Treasury bills, commercial papers, certificates, securities, guaranteed investments, all came into being in 1953 to assist the Bank of Canada to carry out its responsibility for monetary policy and to increase the opportunities for investment of short-term funds in the economy. The principal participants in the money market are the federal, provincial and municipal governments, the chartered banks, the Bank of Canada and major corporations and nonprofit organizations. The market is operated through a telephone network organized by 15 investment dealers known as the money market dealers. They qualify for day-to-day loans from the banks and, if needed, short-term credit from the Bank of Canada. This body forms the heart of the money market here in Canada.

Controls exist under the Bank Act, through the Bank of Canada and under the regulations of the Bank Act itself. By the closeness of the monopoly within the money market dealers and a manipulation of the market on a day-to-day basis, it can control the value of the Canadian dollar. The money market's most important function is to provide a link between the Bank of Canada and Canada's major financial institutions, such as the chartered banks, trust companies and insurance companies in the capital market and a selected few to direct Canada's economic needs. For the Bank of Canada, the market is an instrument to put monetary policies into effect.

I mentioned the Canadian economy in 1975 when we certainly did have some measures of controlling the economy. It was the bank lending cash to the chartered banks which permitted those institutions to lend money for the speculative trading in securities. It is noted that Canadians

save more in the banks than any other national group and those accumulated savings provide a huge fund of capital for the money market and for speculation.

I can perhaps get into the area later on of the

matter about the Dome oil deal.

On motion by Mr. Haggerty, the debate was adjourned.

The House adjourned at 10:30 p.m.

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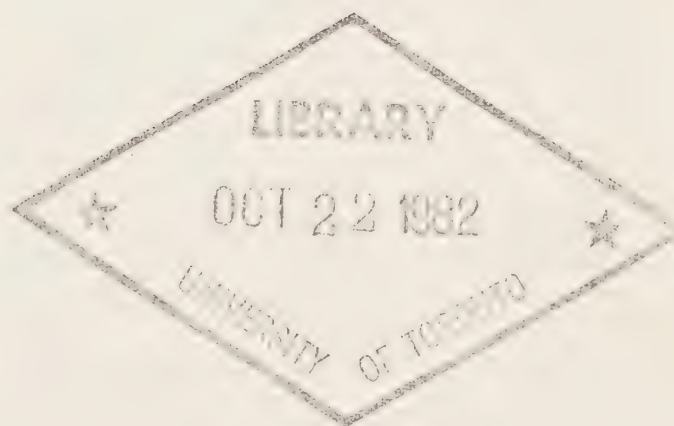


Ontario, LEGISLATIVE ASSEMBLY

No. 120

Legislature of Ontario Debates

Official Report (Hansard)



Second Session, Thirty-Second Parliament
Friday, October 15, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, October 15, 1982

The House met at 10 a.m.

Prayers.

DISPOSAL OF NUCLEAR WASTES

Mr. Kerrio: Mr. Speaker, I rise on a matter of privilege. This matter has to do with an answer given to me by the Minister of the Environment. On October 8 the minister stated, "In communication with the officials in the United States, we have now confirmed that report has been rejected by the Department of Energy," meaning the report to expand the nuclear waste site for dumping close to the Niagara River. Yet, on October 13, 1982, the *Globe and Mail* quotes Mr. Donald Groelsema of the US Energy Department as having stated it is not completely rejected.

This is a very important matter, as it relates to whether the United States of America is or is not considering the expansion of an atomic waste dump site. Our minister has given this House his assurance that that is not going to happen, that it 21s been rejected. Yet we find later that that may not be true and that they may still be considering it. I wish the minister would respond if he has any further information.

Hon. Mr. Norton: Mr. Speaker, I am glad the honourable member raised that matter. Although I did accurately convey to the House at the time the information that had been conveyed to me from an official in the United States, there may have been some slight change in emphasis in the transmission, I am not sure of that.

My officials have confirmed that I was correct in what I conveyed to the member. However, apparently the American position is that they had not accepted the report, nor had they at the time officially rejected it. It is not yet complete, so in fact no decision has been made. It is true, as I understand it, that the consultants have been asked to look further at matters relating to containment of the material that is at present on the site. There clearly has been no decision. We have been assured there will be further information given to us as it is available.

BATTERED WOMEN DAY

Mr. R. F. Johnston: Mr. Speaker, on a point of

order or a point of privilege: I do not know how you would like to rule on it, but if I may, I would like the indulgence of the House. Today has been declared Unity Day with Battered Women in Canada by the National Action Committee on the Status of Women.

On behalf of my party, and I think other members would probably like to rise as well, I would like to indicate that this House should go on record today as supporting that day of recognition of the difficulties of battered women. As a person who moved the reference to the standing committee on social development for a discussion on the matter of family violence, I am very pleased with the response we had this summer and the nonpartisan approach that committee took to looking at the problems of battered women.

I think it would be wrong for this day to go by without the committee indicating that by next Wednesday we hope to have a consensus report which will deal directly with some of the practical problems affecting women who have been assaulted, and which will show that this House is not a House where we will find tittering and giggling about this issue but rather that we all take this issue very seriously.

Mr. Boudria: Mr. Speaker, on behalf of our party, I would like to join with the member for Scarborough West in giving our support to this cause of Unity Day with Battered Women in Canada.

The member has indicated that this summer we held very serious hearings on the whole issue of battered women. These lasted for three weeks. I must say, as I said to the newspapers when the hearings were over, they were very informative and difficult hearings. There were days when some of the testimony made me feel ashamed to be a man. That may be a difficult thing to admit, but I think every one of us should realize that the population of this province and of this country has to become aware of and attuned to this very serious problem as a result of which that one out of every 10 women in this country suffers physical abuse from her husband or mate.

I think we should all join today in supporting

this cause, which I notice many members are recognizing by wearing a purple arm band.

Mr. Gillies: Mr. Speaker, on behalf of the Progressive Conservative caucus, I certainly want to join with my colleagues on the committee, the member for Scarborough West and the member for Prescott-Russell, in recognizing, here in Ontario, Unity Day with Battered Women in Canada.

Both members have noted that we sat in committee for a period of weeks this summer. We are now at the stage of considering our final recommendations. I certainly agree with my friend the member for Scarborough West that there are many areas regarding this issue on which we will have a substantial consensus.

10:10 a.m.

This is a very old and tragic problem. I would hesitate to say the work of the committee will completely eliminate something that probably dates back to the earliest periods of man's history, but I think there are changes we can make, both to our criminal justice system and to our social justice system, to help alleviate the problems that are being faced.

The committee held hearings here in Toronto for a period of some three weeks. We also travelled for several days and listened to presentations in London and St. Thomas. We had women come before the committee who had been victims of violence. We had men come before the committee and talk about their experiences as people who at some time in their past had themselves been abusers of women. I think it is fair to say that while we were shocked and extremely upset at some of the things we heard, we also saw some possible solutions and ways to ameliorate this problem through careful thought and deliberation.

Along with my colleagues who have already spoken, I look forward to this coming week when the report will be coming forth. I look forward also to the response of the government to that report.

Ms. Bryden: Mr. Speaker, as one of the few women in the House and as a person who sat during the committee hearings this summer, I certainly join with the others in the comments, particularly today when we are wearing these purple armbands, that we should be concerned about the report that will come out of this committee.

We should also be very concerned about the implementation of the recommendations. A lot of important ideas came forward in that com-

mittee and, as well, we gained a great insight into the seriousness of the problem. The time for action is now, particularly for funding of the interval houses which are the emergency wards for battered women. We also need the preventive work which will perhaps make it unnecessary at some future day to have a great many interval houses. I join with all other parties in this House in urging more action in this field.

CORRECTION OF NEWSPAPER ACCOUNT

Mr. Bradley: Mr. Speaker, I rise on a point of privilege to correct the record. In a column in the Toronto Sun today, Friday, October 15, Mr. Claire Hoy in his column has the following lines, in reference to Bill 127: "The Liberals, after voting for the bill in principle, now want it killed."

If one were to check the record, the Liberal Party has never voted for Bill 127. The members will recall that on May 28 of this year I stood in the House to ask the minister to assure us she would not introduce such a bill. When the bill was before the House for approval in principle, our party voted en masse against it. We opposed it in committee. We continue to oppose it.

I just wanted to correct that misinterpretation of our position.

ORAL QUESTIONS

DOMESTIC VIOLENCE

Mr. Peterson: Mr. Speaker, I have a question for the Solicitor General. The minister is no doubt aware of and heard the remarks of our colleagues from all three parties with respect to Unity Day with Battered Women in Canada, sponsored by the National Action Committee on the Status of Women.

I am quite aware the Solicitor General has corresponded with the Ontario Police Commission at the request of the Attorney General (Mr. McMurtry), sending, I gather, a copy of the Attorney General's directive to crown attorneys across the province with regard to the matter of laying charges in cases of domestic violence.

I am sure the Solicitor General as chief policeman in this province recognizes the serious nature of the problem this committee has been dealing with. Now that it has been brought to public attention, I think there is a wide degree of understanding that it is a far more serious problem in our society than previously considered.

When the police do not get involved, the number of charges laid is very low. In fact, only

three per cent of charges are laid unless they are sponsored directly by the police, but where the police do get actively involved, this results in such figures as happen in London where 88 per cent of the cases go to court and there is a resolution. In other words, it has to be the police responsibility to lay the charges and not the responsibility of the aggrieved person.

I wonder why the Solicitor General has chosen not to put out a clear and unequivocal directive to the various police forces in this province that that is clearly the policy of the government which should be followed by all police forces in this province.

Hon. G. W. Taylor: Mr. Speaker, as the Leader of the Opposition is probably aware on this matter, the Attorney General did instruct his crown attorneys to proceed with these matters as they come forward and to be more diligent in proceeding with them. I emphasize that through the Ontario Police Commission the Attorney General's guidelines and instructions were followed judiciously to reinforce his thoughts on this matter. As the member knows, he is a man of concern and has been a leader in the field on this situation.

In the police matter, the efforts we have made in the area of policing and of educating police officers on domestic situations have been followed at the Ontario Police College. We have a course on domestic situations. The police officers have been educated in treating domestic situations which not only take in those between husband and wife but children who are involved in domestic situations, such as child abuse and battering.

This naturally gives me concern. The police have to treat these with the most careful investigation. As the Leader of the Opposition has said, they do not always proceed. There is an emotional component to this. Naturally, where the police can, they proceed with those charges in conjunction with the crown attorney, but there are many situations where the statistics show the initial investigations do not proceed. Sometimes this is also a result of the wife's attitude. There is not only a legal component to this, but a strong emotional and social component that must be treated. That will not always show up in the statistics. I cannot make any apology for that.

As the members know, one cannot always treat this situation in isolation as a straight, legal matter that will show up on a police docket. Sometimes that will not always be the best and only resolution of the emotional situation that is

before us, emotional in regard to the relationship of the husband and wife or those individuals who are living together, because it is not always a husband and wife situation. One cannot always treat it as a hard, cold, statistical situation. But the police forces have been instructed to work on these matters and proceed where they are very evidently ones of wife battering with a criminal component that can be proceeded with through the courts.

Mr. Peterson: I think what I am saying, what the report says and what my colleagues would say is the police do have a very strong role in terms of laying of charges.

I refer the preliminary draft report to the Solicitor General. It says: "In May 1981 the London city police force issued a directive"—and I am asking the Solicitor General to issue a directive, not just the Attorney General's directive to the crown attorneys—"instructing officers to lay assault charges where they have reasonable and probable grounds to believe an assault had taken place. They need not have witnessed the assault. Since this policy was implemented, there has been a dramatic increase in the number of police-laid assault charges. When compared to 1979, 88 per cent of the family violence cases, as opposed to three per cent, went to court."

The Solicitor General can see the statistics. I am asking him to fulfil his role as the one in charge of the police forces, in conjunction with the role the Attorney General fills in conjunction with the crown attorneys.

10:20 a.m.

Hon. G. W. Taylor: I believe that has been taken care of, but if the Leader of the Opposition desires a more forthright statement, one that is matter of fact, I think the police forces would recognize the degree of urgency and the degree of seriousness of the words put together by the Attorney General and re-emphasized by my notation through the Ontario Police Commission to the various police forces. When they look at the content of it, there is no way they cannot recognize the seriousness of proceeding with that.

As the Leader of the Opposition recognizes, these charges are the final result, after the police do the investigation. He has some legal knowledge that the final proceeding is that the crown attorneys proceed with those charges in court. They are the ones who make the final determination as to whether the charges will proceed in the court. The re-emphasizing of the

Attorney General's note does make the police forces aware that they must treat these cases with seriousness, and I believe they do treat them with all the seriousness that is recognizable in that field, which we recognize as a very serious situation.

Mr. R. F. Johnston: Mr. Speaker, with due respect to the minister, I think his response reflects one of the difficulties we have in this field at the moment. I will ask the minister's response to this: All the evidence shows that the conciliation approach, that is taking the emotional factors into account and so on, does not work. What happens when one has conciliation is there is a recurrence of violence later on. What has to be given is a message to the men in this society that hitting one's wife is the same as hitting a stranger and it is as serious a crime and it is a criminal act.

The difficulty is that we train our teams to go in and try to solve the domestic scene rather than treating this as a crime. I would ask the minister to please read our report. What I am saying is that if charges are not laid, then it is not treated as a crime. In most of the cases, charges are not being laid and in many cases there are not even reports being made of the incidents that take place. That is the evidence we received.

There has to be a directive that this is a criminal offence, that the responsibility needs to be taken by the police officers and not by the women, who will back down from taking it to court, as the minister knows, because of all the social pressures. There has to be a change in attitude and a basic change in—

Mr. Speaker: Question, please.

Mr. R. F. Johnston: I am asking the minister if his response is a recognition of the basic failure of the system at the moment, Mr. Speaker.

Hon. G. W. Taylor: Yes, I recognize the comments the honourable member has made and I do take it very seriously as I think all police forces do.

As I recall from my days of practising law, one of the most heinous situations I ever had to face was the battered wife situation and the situations from which the wives, for many reasons, could not extricate themselves.

I would not say that in all situations the laying of the criminal charge would be the best and only solution, but as the honourable members and as the committee have made us aware, I find no difficulty in re-emphasizing and putting out another statement to the police forces for which I am responsible in this province to make sure

that they are aware of our concern as a government, as it is the Attorney General's concern and as it is the committee's concern. I would not find it difficult at all to give a further statement to the police forces for them to treat this with the concern that this Legislature shows for the matter.

Mr. Boudria: Mr. Speaker, I believe the minister, in the initial part of his reply, stated that police officers were well-trained in the area of crisis intervention as it related to wife battering. Could he then explain to the House why it is that of the 360 hours of the nine-week instruction course police officers get at the Ontario Police College, only 24 hours are devoted to the subject of crisis intervention?

Could he also explain to the House why it is that the issue of wife assault is dealt with in the same manual under a section known as non-criminal order maintenance duties? Does he consider that wife battering is less of a crime than any other kind of assault charge? If that is not the case, will he clearly indicate to the House that they will be laying charges in all cases from now on?

Hon. G. W. Taylor: Mr. Speaker, I have not seen the document recently that the member has quoted from, but yes, there is a course at the Ontario Police College that deals with the domestic situation. That is one part of it. Of the many duties of the police today, that is one of them, but there are only so many hours at the police college which can be devoted to this particular subject.

I am sure on another particular day there would be many people wanting more hours spent on education, on criminal investigation, on driving, on pursuit training, on any number of areas. This is only one of the many facets that police officers are called upon today to handle in their duties. But the fact is that it is a course at the police college; it is one that is recognized and one that shows our seriousness and concern about the particular subject.

As to whether one can lay charges in each and every instance, I think I have explained to the House that it is the final determination, after investigation of a situation in conjunction with the crown attorneys, that a charge is proceeded with. I could not, and I am sure the Attorney General would not say that in each and every instance a charge can be laid.

There are some situations where a component of that charge is the co-operation, diligence and concern of the complainant that she will be a witness, and there is also the eviden-

tiary feature. Although one cannot categorically say that a charge can be laid in each and every situation, as I have indicated the police forces will diligently proceed with the charges if the evidence is there and will proceed with the investigation.

I have given the House the confirmation that I will indicate a more firm direction to the police forces and give instructions to them to proceed, investigate and lay a charge where the facts and circumstances warrant.

RESTRAINT ON DOCTORS' FEES

Mr. Peterson: I have a question of the Premier, Mr. Speaker. The Premier has had at least one meeting with the Ontario Medical Association, and perhaps more, with respect to the doctors' compliance with or working along, in some form or other, with the restraint program of his government. Would he care to bring the House up to date on those discussions? What did he ask of the doctors and what was their response?

Hon. Mr. Davis: Mr. Speaker, I have had one meeting with the relatively new president of the OMA and the executive director. I did not make any specific requests of the medical profession during the course of that meeting. I outlined to them in rather general terms the objectives of the government program. I reviewed the legislation with them, not in great detail but in terms of the general direction.

I did say to them we would be encouraging other sectors of the economy to follow the spirit of the legislation but not necessarily in every detail. It was an opportunity that I used to explain to the profession—when I say the profession, I mean the two representatives of the OMA—what the general government policy was. I did not ask for any specific recommendation at that time.

I indicated to the president of the OMA that I would hope he and his colleagues would discuss this and would think about it. We did not threaten. We did not exert, in that sense of the word, any pressure at this time. I expect I will be having further discussions with the OMA over the next period of time.

Mr. Peterson: Does the Premier mean that we just wait for this thing to unfold in the fullness of time, or does he have some recommendations? What is he going to ask? What is he going to do if they do not comply? Is he going to bring them under the terms of the law? This is a very critical question. In my judgement, it is very fundamen-

tal to the kind of acceptance this program will have across this province.

10:30 a.m.

The Premier must realize, of course, the disparities he is creating in a number of people's minds by not including the doctors. Of all people, he should recognize the sensitivity of what he has done or has not done in the circumstances. Is he telling me today: "We'll just wait and see what happens. At some time in the future, at some undetermined meeting, we may discuss our intentions"? He must surely have some plans for the medical profession, as they did in British Columbia.

Everybody has to contribute to our restraint program, which the Premier believes to be so fair and equitable. He must have some plans. What are those plans? What is he going to demand? How much time is he going to give them, and when will he be back to this House with an answer?

Hon. Mr. Davis: I think the Leader of the Opposition is aware of the time frame of the existing agreement. Even if the medical profession had been included in the legislation, the impact of that would not take place until April 1983. There is some time for thoughtful consideration of this matter.

I fully appreciate that the Liberal Party would include the medical profession within the legislation. That point was made clear by the deputy leader of the party in his question, and I understand that. I understand the official position of the New Democratic Party is that it would not. I found that out, somewhat to my surprise, in a release by the leader of the NDP, who says—

Mr. McClellan: We don't support the program.

Mr. Swart: We don't believe in breaking contracts.

Hon. Mr. Davis: That is not what the leader of the NDP said in a release from Goderich to district whatever it was of the OMA. The members of that party are marvellous, they really are. One minute, when the bill is introduced, they say—

Mr. Speaker: Order. Back to the question, please.

Hon. Mr. Davis: I am sorry, Mr. Speaker, but they did interrupt a little bit. I was just trying to develop a resumé for the members of this House. I felt the day the bill was introduced that the New Democrats said the doctors should be

in and the leader of the NDP has said the doctors should not be in.

I think the question of the Leader of the Opposition was very fair. Quite frankly, I expected the question two weeks ago, because my meeting was two or three weeks ago yesterday.

Mr. Bradley: You were not here.

Hon. Mr. Davis: With great respect, I was here the day after the meeting and no one on the other side of the House asked me about it.

Mr. Sweeney: We expected to see a statement.

Hon. Mr. Davis: No, you did not expect a statement. Do not make up excuses.

Mr. Speaker: Order.

Mr. McClellan: I do not know what the problem was. I simply accused the Premier of being a hypocrite.

Mr. Speaker: Question, please.

Mr. McClellan: I accused the Premier of being a hypocrite for nailing workers and ignoring doctors, but that does not mean I support any shred of his program. My supplementary—

Mr. Speaker: Just before you proceed with your question, you did use an offensive word and I draw that to your attention. I ask you to withdraw it, please.

Mr. McClellan: Which word was that?

Mr. Speaker: "Hypocrite."

Mr. McClellan: I think our precedents have enshrined that epithet as acceptable, Mr. Speaker. I believe you will find ample examples of that, but if it is offensive to you, I am sorry.

Mr. Speaker: Did you withdraw it?

Mr. McClellan: I am trying to.

Mr. Speaker: Please do. Never mind the speech, just withdraw the remark.

Mr. McClellan: I was in the process. I withdraw it.

Mr. Speaker: The clock is still going on.

Mr. McClellan: Yes, I realize that. If I may ask my supplementary, I did withdraw the remark.

Mr. Speaker: Did you? Thank you. Now to the question.

Mr. McClellan: My question has to do with the double messages being communicated by the Premier. When the Premier met with the OMA, did he discuss section 26 of Bill 179? Did he tell them it is as plain on the nose on his face that the Ontario health insurance plan fee schedule is an administered price under the definitions in subsection 26(b); that the Ministry

of Health is a public regulatory agency under the terms of subsection 26(d); and that he is having negotiations for a group which he has either deliberately or inadvertently already included under the terms of the so-called wage restraint program?

Hon. Mr. Davis: I think that question has been dealt with very effectively by the Treasurer (Mr. F. S. Miller). I understood the lead question was, "What was the position of our discussions with the OMA?" If the member is really saying to us that his party is ambivalent as to whether the medical profession should be in or out—

Mr. McClellan: The Premier must have a hearing problem.

Hon. Mr. Davis: Listen, I was here the first day the bill was introduced. Everyone over there was calling for the inclusion of the medical profession. They are now trying to work their way off the hook to try to show some degree of consistency. The New Democratic Party has been caught, it is embarrassed and it does not know what to do about it.

Mr. Peterson: On a point order, Mr. Speaker: I think the Premier was a trifle unkind to the member for Bellwoods, who wanted to purge his conscience publicly here in this House and admit to the duplicity of his party's position, which is equalled only by the duplicity of the position of the government.

Mr. Speaker: Question, please.

Mr. Peterson: What is the government's position? Does it want them in or does it want them out? The Premier can make fun of the NDP all he wants because, God knows, they deserve it, but they do not go both ways any more than the government goes both ways. The Premier should not get morally superior with us.

My question is, how long is the government going to wait and what is it going to ask for? It has obviously heard the noises from the OMA saying they are not going to make their contribution. What is the government going to do about it if they do not?

Hon. Mr. Davis: I understand the enthusiasm of the Leader of the Opposition for including a group of self-employed professionals within the context of the act. I understand that. I should caution him that there are some members of his caucus who are a shade reluctant because they know there is some modest differential. I know he does not have any great measure of patience, but I would suggest to him—

Mr. Peterson: Why waste time meeting with them if you don't want to include them?

Hon. Mr. Davis: I think it is very obvious that our—

Mr. Peterson: Do you want them in or do you want them out?

Hon. Mr. Davis: With great respect, if the member will let me answer and not keep on interjecting—

Mr. Nixon: You are not going to answer.

Mr. Speaker: Order.

Hon. Mr. Davis: Of course I am not going to answer it in the way the member wants me to answer it. If I could put questions in his mouth the way I would like to have them asked, I could not do any better than he is doing at present. I do not intend to answer what it is he wants me to answer. We are having discussions. I expect they will continue.

While I am on my feet, Mr. Speaker, I have a matter of very real personal privilege. I do not often taken exception to what the Leader of the Opposition might say, but it is a matter of personal privilege and one that I know he will want to redress, because he always quotes my speeches.

From the very forthright speech he made last night, it seems obvious that the Leader of the Opposition has become a sexist. I really feel bad about that. He knows the Tories have a woman candidate in the riding, yet he says, "Send a man from York South to Queen's Park." The women of this province will be up in arms over that.

Mr. Peterson: On the point of privilege, Mr. Speaker, let me say that was—

Interjections.

Mr. Speaker: Order.

Mr. Peterson: I have noticed a very serious deterioration in the quality of the luncheon club humour of the Premier over the past two or three weeks. This is probably the lowest it has fallen. He substantially embarrassed himself the other night in my home town of London, Ontario, where I gather he promised three or four judgeships before his speech in order to get a crowd at the meeting. Then he comes into the House and accuses me of that.

Obviously we are running a man, and his superiority over the other candidates has nothing to do with his sex or the sex of his opponents. Our candidate clearly is the most impressive candidate as a human being. We are going to win on that basis and that basis alone.

10:40 a.m.

Hon. Mr. Davis: Mr. Speaker, I want to assure the Leader of the Opposition that I do not really expect any objective evaluation of my sense of humour. At least I believe I have one; most days he does not.

I would only say, not only with some regret but with great regret, that if the Leader of the Opposition really believes the large crowd that came out in his community in London the other evening had anything to do with my presence, I feel bad that he does not understand there were some 350 Londoners and people from all over Ontario to pay respect to J. Allyn Taylor, the chairman of the McMichael board.

Mr. Speaker: New question.

Mr. Peterson: On the point of privilege—

Mr. Speaker: No, really. I think your point has been well made, and—

Interjections.

Mr. Speaker: No. I think, with all respect—

Interjections.

Mr. Speaker: Quite obviously it is deteriorating into a debate.

Mr. Peterson: It is a point of privilege. You allowed him a point of privilege. Surely you must exercise your judgement with an even hand.

Mr. Speaker: I allowed the Premier a point of privilege; I allowed you to reply to it.

Mr. Peterson: Mr. Speaker, I want to tell you something that is very important with respect to that point—

Mr. Speaker: Order.

Mr. Peterson: If you will hear me out, I am sure you will agree—

Mr. Speaker: No, no; the point of privilege has been made, with all respect.

Interjections.

Mr. Speaker: No.

Mr. Peterson: Well, why would you allow that?

Mr. Speaker: Because the point of privilege, as I explained, was originally raised. You replied to it.

Interjections.

Mr. Speaker: No, it is not arbitrary, believe me. We are in question period. We are abusing question period.

MILK PRICE INCREASES

Mr. Swart: Mr. Speaker, the fact that I am taking the leadoff today perhaps gives some

idea of the importance this party attaches to consumer and farm matters.

In view of the flippant nonanswer that was given by the Premier last Tuesday to my question on the impending increase in the price of milk I would like to pursue the matter further today with the Minister of Consumer and Commercial Relations. He will recognize, I hope, that the farmer is going to get a 2.62 cents per litre increase in the price of milk next Monday, and I hope he knows that the habit of the supermarkets and the dairies in the last three years has been to mark up that farmers' increase by more than 125 per cent.

Can the minister tell the House today what increase there will be on Monday or next week in the wholesale and retail price of milk and what input he, or perhaps the Minister of Agriculture and Food (Mr. Timbrell), has had that the markup they make this time will be reasonable and carry out his professed price restraint program?

Hon. Mr. Elgie: First of all, Mr. Speaker, I would not want to leave the House or the public with any misconception about the price control program of the government. As the member well knows, and I hope he is not trying to mislead anybody, the Inflation Restraint Board has the obligation of monitoring wages and prices in the private sector.

They will be doing that and they will be advising me from time to time on their views and feelings about certain price increases. But the government's restraint program, as he knows, deals only with administered prices, so he should not try to deceive the public.

What did you say, Mr. Premier? I did not hear you.

Hon. Mr. Davis: I was telling them about sending a man to Queen's Park.

Hon. Mr. Elgie: He knows very well that the price of milk in this province has been based on a free, competitive marketplace, and by and large I think everybody in this House would agree that the price of milk in Ontario has remained reasonably stable in comparison with other provinces.

The member has to remember that the most recent statistics in terms of food as a component of the consumer price index indicate that food as an overall component has dropped precipitously.

If we look at the figures from 1979 to 1982, we see that as a portion of the consumer price index, food has dropped from 13.5 per cent in

1979 to 6.7 per cent during the first eight months of 1982. So I think there is very good evidence that the free marketplace is having a desirable effect on food prices.

Mr. Swart: It is perfectly obvious that the minister knows nothing about the increase in the price of milk taking place next Monday even though the bill that was tabled on September 21 requires monitoring. I would like to send him a copy of the wholesale price increases which are to go into effect on Monday—

Mr. Speaker: Question, please.

Mr. Swart: —by Beatrice Foods Ltd., one of the largest dairies in this province. The other dairies are doing the same things. I hope the minister will take a look at that. If he does, he will notice that the price of a litre of milk is going to increase by seven cents—

Mr. Speaker: You have already sent the information over to the minister for his edification. I would ask you to place your question, please.

Mr. Swart: Will the minister note that the price of a litre of milk is going up by seven cents, two litres by 14 cents, and the three-quart plastic pouch is going up by 24 cents? I say to the minister, in today's economy—

Mr. Speaker: Question, please.

Mr. Swart: Does the minister not think an eight or nine cent retail increase in the price of milk is excessive? Does the minister not think there is something wrong with his system when the farmer gets an increase in his returns of less than six per cent, and has to justify every penny of it, and the dairies get more than 12 per cent and the minister lets them and sits back and lets it happen?

Hon. Mr. Elgie: I thank the member for forwarding the data to me. As he knows, the food monitoring section of the ministry would be receiving it in any event. As he has already pointed out, the Inflation Restraint Board will be monitoring the wage and price changes in the private sector and reporting to me from time to time.

It is intriguing that the member never stands up on his feet when there is a price reduction. Why is that? Is he glued to the floor or the chair whenever there is a price reduction?

I have to tell the member that when the food component of the consumer price index in August showed that year over year it was 6.4 per cent, he did not move out of that chair. I have to tell the member that he can have it whatever

way he wants, but let us not try to fool people that he is only concerned about food prices, because when they are going down he never says a thing.

Mr. Riddell: Mr. Speaker, does the minister feel that the member for Welland-Thorold, who is now the agricultural critic for the NDP, is championing the cause of the farmers when he forever advocates that this government continues with its cheap food policy? Does the minister think the member realizes the price at the retail store reflects on the farmers' price? Does the minister think he has championed the cause of the farmers?

Hon. Mr. Elgie: Mr. Speaker, if that requires a yes-or-no answer, I have difficulty. I do find great trouble when friends start to squabble among themselves.

Mr. Riddell: I would ask that the minister withdraw that, because I have never professed to be a friend of these people on my left.

Mr. Swart: I guess the member for Huron-Middlesex has never gotten over being beaten in the ploughing match.

Does the minister not realize that the number of processors of fluid milk in Ontario has dropped in the last 13 years from something like 160 to 135 and now there are four or five—a maximum of five—dairies that have 80 to 90 per cent of the market?

10:50 a.m.

Is the minister not aware that Quebec and seven other provinces, recognizing the massive reduction in the ability to control the price to the consumer through competition, have enacted control over the wholesale and/or the retail price of milk? That means the price in Quebec is about 10 cents a litre lower than it is in this province.

Will the minister face up to this situation and bring in legislation like they have in the seven other provinces to protect the consumer against excessive increases?

Hon. Mr. Elgie: I think we are very satisfied that the competitive process in this province is producing food prices which are comparable to anywhere in the country.

MORTGAGE RATES

Mr. Cooke: Mr. Speaker. I have a question of the Minister of Consumer and Commercial Relations, in the absence of the Treasurer (Mr. F. S. Miller).

Since the mortgage rate has dropped significantly in the last few weeks, what action is this

government prepared to take, either by meeting with leaders of the banking community or talking to the federal government, in order to have the mortgage rates for those people who have renewed their mortgages at 19 and 20 per cent lowered to reflect the present 14.75 per cent rate?

Hon. Mr. Elgie: Mr. Speaker, it is an intriguing question. The member is leaving the assumption that those who lend money on mortgages are all big bankers and big trust companies. The fact of life is that most of them are individual home owners who have sold their homes and the mortgage rate was a negotiated rate at the time of sale. Many mortgages are through credit unions. Is he proposing that the credit unions be required to eat a percentage of the mortgage interest they have negotiated?

There are a lot of difficulties with it, but I will certainly convey the member's views to the Treasurer and to those who have loaned out mortgages to people.

Mr. Cooke: Is the minister also aware that the spread between savings rates and loan rates has increased dramatically over the last few weeks? What is his opinion on that matter? Is he prepared to take action to make sure that spread is made smaller too?

He cannot have it both ways. The banks are, on the one hand, charging excessive rates for mortgages that were renewed, and now they are trying to make up for bad loans over the past number of months by paying very low rates on savings accounts.

Hon. Mr. Elgie: Those rates reflect market conditions, and I think everyone who has been observing the changes that have taken place is very gratified that interest rates are falling. I think the member should be commenting on that instead of asking these questions.

Mr. Cooke: Is the minister further aware that, while the bank rate is lowering, credit card interest, which is important in terms of consumer buying power, is, for example, Eaton's 28 per cent per annum and Visa 24 per cent? Is he not at least thinking that action should be taken on that matter, that the credit card facilities of Eaton's and Visa and MasterCard should be talked to and that their rates should be lowered to reflect the decrease in the prime rate?

Hon. Mr. Elgie: Most of us know we have the option of whether or not we wish to use credit cards. We always have the option of writing cheques or going to the bank to borrow the

money at lower rates. These are options that people choose in life for convenience.

With many of the credit cards, like Visa and others, there is a period of time where there is no interest paid at all. I have to tell my friend that he is talking about a credit system which most people think is very valuable in terms of travelling and purchases and not having to carry a lot of money around with them. Generally that is a choice people have to make.

GOVERNMENT ADVERTISING

Mr. Sweeney: Mr. Speaker, I have a question of the Minister of Industry and Trade. Can the minister explain to the Legislature how he can justify his approval for an expenditure of \$225,000 on an ad campaign directed towards small business in this province less than two months after that same ministry withdrew grant funds also directed to small business in this province, those funds being elicited to actually help fund those businesses?

Hon. Mr. Walker: Yes, Mr. Speaker, I certainly can justify it. First, the member has really asked two questions. One involves the communications campaign and the other involves the small business programs. There are four small business programs. What we discovered, after five months of the fiscal year we are now in, is that we had committed or spent 80 per cent of the funds that had been allocated for the purposes of those four programs.

The budgeted amount was substantially more than the budgeted amount from last year approved by the Legislature. The amount was larger and the money had been 80 per cent committed. What we did in that case was decide to slow down some of the approvals because, quite frankly, we were going to end up spending twice as much.

I think the member would agree with me that I have a responsibility to this Legislature to stay within the budget, if at all possible. The programs had become oversubscribed. We simply reduced the speed with which they were being considered.

The programs were not cut. In fact, the programs have been maintained at reasonable levels. The levels are above what they were last year. The money is still there. In fact, one of the boards met on September 30 and made some approvals. Another board will be meeting in a few days and will probably make some more approvals. The funds will be there and, therefore, there is not a substantial problem at all from that point of view.

The idea that we have cut the program funds is just not the case. Please put that part aside. The member may consider the stories he has heard or read to be inaccurate as they relate to the cutting of funds. We simply slowed down the process a bit, because we were becoming oversubscribed. That is the one side of the question the member has identified.

The second side is the communications program we have, which is simply this. I think I have probably negotiated about the best bargain we are ever going to see in government. We have \$1 million worth of air time that we got for the production cost and a few other ancillary costs of around \$250,000. It will allow all the radio stations blanketing the province to provide a very informational message with only the slightest reference to the ministry, an informational message that can be given to small businesses.

We felt we had a duty to get out to more of the small businesses in this province. There are 240,000 small businesses. We feel we are beginning more effective communications by telling some of them how to start a small business, showing them the ways they can go about it, telling them something about financial management, sales forecasting, preparing cash-flow projections, how to choose a lender, marketing and managing accounts receivable. These are examples of what we are communicating. Frankly, I think the member should be standing up here and offering us one of the best congratulations he has afforded in a long time.

Mr. Sweeney: I would draw to the minister's attention that approximately a year ago a very expensive and very flashy ad campaign was directed towards small business in this province. I have 10 pamphlets in my hand: Putting New Ideas into Production? We'll Help Finance the Expertise; Research? We'll Pay 90 Per Cent of Your Tab at the Lab; Production Problems? We'll Help You Manufacture Higher Profits; Launching a New Product? We'll Help You Get Off the Ground.

I wonder if the minister is not aware of the anger and frustration of the small business people in this province when they see the government on the one hand spending—

Mr. Bradley: Squandering.

Mr. Sweeney: —squandering, that is a better word—\$225,000 on a message that says: "The Ministry of Industry and Trade—we are here to help small business in a big way." Those are businesses that have their backs to the wall. If

that \$225,000 had been put into a grant program—whatever has been done with it, whether it has been delayed or eliminated, the money is not available to them and they need that money. If the ministry really wants to help small business, why does it not give the money to them instead of more of this nonsense?

Mr. Conway: Just a flash in the pan.

Hon. Mr. Walker: Don't talk about a flash in the pan. I will tell the member something about the small business programs of this province. With the kind of commitment we have, we will put up our effort and match it against that of the other provinces and other jurisdictions, and we will come out as the better ones of the bunch.

With what the Treasurer has provided in terms of \$250 million worth of tax waiving for a period of two years, if one talks about a small business budget that was a small business budget, that is the kind of thing we are doing to help small business.

Mr. Kerrio: Those people are starving.

Mr. Speaker: Order.

Hon. Mr. Walker: I listened to the member carefully. Please allow me the courtesy to reply.

He stood there and raised a bunch of pamphlets. Yes, we have the pamphlets, but we are not going to take those pamphlets and distribute them around the province with an airplane dropping them over every city and on top of every small business. What we are trying to do is to get the message out.

Mr. Kerrio: The airplane is gone.

Hon. Mr. Walker: Would the member please just listen for a moment? One of the things we are trying to do with these messages is to say: "In the event that you wish to start a small business, please contact us. We have a booklet we can provide that will help you in that process. Will you not contact us?"

When the member considers what we are providing and when he concentrates on barely half a per cent of the budget and makes his concerns known, when the money is in fact there and is being afforded, how he has the gall to stand up and make the suggestions he is making I cannot understand.

Interjections.

Mr. Speaker: Order.

Mr. Cooke: Mr. Speaker, does the minister not realize that the program that was part of the budget on May 13 and that he is bragging about today only helps small businesses that are making a profit, that are incorporated? Does he

not realize that there are many small businesses in this province that have their backs up against the wall, that are losing money and are about to go into bankruptcy, and that this kind of promotion on the part of his ministry is seen by the people in this province who pay the bill as simply a way of promoting the Progressive Conservative Party and his government and not doing anything to come to terms with the economic problems we have in this province?

Hon. Mr. Walker: Not so, Mr. Speaker. The kind of people the member has been talking to would not be the same kind I have been talking to because I have found a great deal of receptivity for the ideas. The reason is that we are simply providing a service to people just like the ones the member is making reference to.

The Treasurer's budget related to those who are making a profit. We figured the tax waiver was the best way to get investment into the hands of small business and to have jobs created. What we are talking about in helping small businesses is providing them with the kind of good information they need about the very issues the member is raising. The only way some of them are going to get it is from the kinds of material we can provide, or at least from the sources we suggest they approach. I do not know whom the member has been talking to, but it has probably been on the wrong side of the border.

Interjections.

Mr. Speaker: Order.

NATIVE RIGHTS

Mr. Stokes: Mr. Speaker, I have a question of the Attorney General. Does he recall a commitment made by the Premier (Mr. Davis) last April, reinforcing a commitment that had been made by the federal government, that within a year, in the absence of any mention of native rights in the Charter of Rights associated with the patriation of Canada's Constitution, a full-blown conference would be held under the auspices of the federal government and all of the provinces to address the question of native rights?

Hon. Mr. McMurtry: Mr. Speaker, that commitment is contained in the new Canadian Constitution and it is a commitment that, of course, will be fulfilled, namely that there will be a meeting of the first ministers of this country some time certainly before the first anniversary date of Her Majesty's signing of the royal proclamation on April 17.

I can assure the honourable member that this is a matter that has been given very high priority within this government. There are a number of ministers who are actively involved in preparations for that meeting.

Mr. Stokes: Can the Attorney General give any assurance that our first citizens, certainly those in Ontario, will be given every opportunity to take an active part in the negotiations and in defining what native rights are? If so, who specifically in this government will be speaking on behalf of native people in Ontario at those very important meetings?

Hon. Mr. McMurtry: The Premier will be leading any delegation to any meetings involving the Constitution over the further defining of aboriginal rights. The Minister of Intergovernmental Affairs (Mr. Wells) just reminded me that some of our deputy ministers are meeting today in Winnipeg with respect to this very important matter.

Mr. Nixon: Mr. Speaker, in preparation for this meeting that is promised and committed before a year elapses, does the Attorney General not think that the members of the Legislature representing specific Indian communities, and those with a special interest in this, should not gather themselves together as a committee to assist the government in establishing a position, along with the representatives of the Indian community? Would the minister not think that the time for those preparations is getting rather late and that we as members of the Legislature feel the same share of the responsibility as the actual signers of the document itself?

Hon. Mr. McMurtry: Obviously we would be very interested in the views of any members of the Legislature with respect to this very complex matter. I just want to reiterate that already a great deal of preparation has been made for this meeting, the dates of which are still to be announced. As to this being done rather late in the day, I must say this has been given a high priority. As for the appropriate mechanism for individual members of the Legislature to express their views to the government, I am sure this is something the House leaders would like to discuss.

TRANSPORT COMPANY LAYOFFS

Mr. Wrye: Mr. Speaker, I have a question for the Minister of Labour. I would like to bring to the attention of the minister the plight of almost 100 office personnel of the Toronto-Peterborough

Transport Co. On October 1 these employees were called in by management, were given their paycheques and were told they would be the last paycheques for an indefinite period of time. No Employment Standards Act benefits were to be paid.

The reason offered by management for the layoff is the current strike of the plant by the local union. I have no problem with the strike; that is an entirely separate issue. Because of the unfortunate situation which brought about their layoff, these office workers are now faced with the uncertainty of no work and no recall date; and in spite of there being no recall date there are no benefits. Does the minister consider this fair and equitable treatment of these office personnel?

Hon. Mr. Ramsay: Mr. Speaker, I agree with the honourable member opposite. I do not feel that it is fair and equitable treatment at all.

Mr. Wrye: Does this situation not highlight the flaws and gaps in the Employment Standards Act? The regulations dealing with termination and notice requirements deem their weeks of layoffs not even to be weeks of layoffs. Therefore, they would never be entitled to notice of any kind under this regulation. If the minister agrees with me that they are indeed laid off, when is he going to close the gaps in the Employment Standards Act and deem them to be exactly that?

Hon. Mr. Ramsay: Because of that particular circumstance, the employment standards branch is not only investigating that aspect but also looking at the inequities that the member has brought forward today.

Mr. R. F. Johnston: Mr. Speaker, can we expect major amendments to the Employment Standards Act this fall?

Hon. Mr. Ramsay: Mr. Speaker, I did not suggest there were amendments to the Employment Standards Act coming forward. I said that the employment standards branch was investigating not only this particular circumstance but also the legislation as a whole.

MANVILLE CANADA PERSONNEL RECORDS

Mr. Renwick: Mr. Speaker, my question is for the Attorney General. In the proceedings of the standing committee on social development on Wednesday afternoon, September 29, while we were discussing the provisions of Bill 138, the Health Protection Act, we had the benefit of comments from Dr. E. K. Fitzgerald, medical

officer of health in Scarborough, with respect to the survey he had been conducting of families and others having close contact with the workers employed at the Johns-Manville, now Manville Canada, plant, for the purpose of tracking them and assisting in any way he could, to make certain that any persons who might develop diseases because of contact with the workers, or the workers themselves, could be assisted.

We were surprised to find that when he tried to pick up the studies some five years later to complete the survey in 1980 and 1981, this is what he found and this is what he had to say to the committee: "We had to go to Johns-Manville. Johns-Manville had been in 1975 an industry employing roughly 700 plus or minus employees. In 1981 they were employing, I think, at that point, 150.

"Because of this tremendous change in size of the Johns-Manville Toronto operation, all these records"—the personnel records—"were now in Colorado. To get the personnel information to identify these household contacts who would be added to the first list was going to take them a considerable period of time. Indeed, when we checked with them on the phone . . . their computers, their data and their information were still not in a state where they could guarantee providing this for another six months. As a consequence, we have never proceeded with this second phase of the study."

My question to the minister is, will he consult with his colleagues, the Minister of Health (Mr. Grossman) and the Minister of Consumer and Commercial Relations (Mr. Elgie), to find out what can be done to retrieve the personnel records related to the workers of the Manville Canada plant because of the concern which we have that those records may be destroyed, may disappear or be unavailable in Ontario for the purpose of claims being made to the Workmen's Compensation Board?

11:10 a.m.

Hon. Mr. McMurtry: I was not aware of the testimony to which the member for Riverdale has referred. Certainly, I will confer with my colleagues with respect to this important matter.

Mr. Renwick: Mr. Speaker, my supplementary question relates to the very wealthy Manville Corp. in the United States, which is not bankrupt or in any financial difficulty whatsoever, taking advantage late in August of very technical provisions of the United States bankruptcy

laws for the purpose of avoiding the claims being made against it with respect to asbestos-related diseases. Will the Attorney General consider the problem as it reflects on Manville Canada in Scarborough to make certain of two things: one, that the assets of Manville in Canada and in Ontario remain available to assist in defraying the claims which will be made to the Workmen's Compensation Board; and two, that Manville recognizes that it must maintain sufficient capital in the country to provide the assessments which may be levied against it by the Workmen's Compensation Board, otherwise the Workmen's Compensation Board is going to have to bear that cost itself?

Hon. Mr. McMurtry: The member for Riverdale knows as well as anyone else that this is obviously a very complex issue. The suggestion that certain assets in some way be frozen, in order to remain within the jurisdiction pending the determination of a potential liability, is a complex issue. All I can say at this time is it is something we are prepared to review.

Mr. Speaker: The time for oral questions has expired.

MOTIONS

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Wells moves that the standing committee on social development be authorized to sit in the morning next Wednesday, October 20, 1982.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER AND RESPONSES TO PETITIONS

Hon. Mr. Wells: Before the orders of the day, I would like to table the answers to questions 226, 230 to 232, 245 to 246, 250, 258, 259, 260, 261, 263, 272, 273, 275, 276, 280, 287, 294, 298, 307, 486 and 488, the interim answer to 487 and responses to petitions presented to the House, sessional papers numbers 177, 179 and 185, all of these standing on the Notice Paper (see appendix, page 4324). I will also, with the indulgence of the House, have the answers and interim answers to some further questions before we adjourn at one o'clock today.

[Later]

Hon. Mr. Wells: Mr. Speaker, I would like to table the interim answers to questions 238, 239, 242, 243, 244, 247, 248 and 249 on the Notice Paper (see appendix, page 4330).

ORDERS OF THE DAY

INFLATION RESTRAINT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Haggerty: Mr. Speaker, it is rather difficult to find out just where I left off last night in debating Bill 179. The band I am wearing today is most appropriate. It indicates some of the problems in our society and that people are being hurt, particularly because of high unemployment. I think it is an all-time high in Ontario and throughout Canada. There are some 700,000 people unemployed, and looking at the work-sharing schemes that are available to many industries, it would be even higher if those people had not accepted that work-sharing proposal.

There are also social problems facing many people who are unemployed, such as the problem of battered women in Ontario that has come to the surface. In the last four or five years the trend in the economy has been downhill, and one of the problems of high unemployment is that this type of social evil creeps into our society because of the hardship of being unemployed.

I will try to relate my remarks to a speech from the Royal Bank of Canada president to the Canadian Chamber of Commerce in Ottawa on September 19, 1982. I have already quoted from that, and I want to quote some more from page 7: "That suggestion usually results in predictable objections about the political or economic difficulty of major spending cuts. Too many of these objections are simply an excuse for avoiding the painful task of cutting back cherished government programs. Of course, it isn't fun. But those huge deficits are leaving too little room for interest rates to come down to where they should be. They are reducing the availability of funds for productive development of the economy."

"Cutting costs has never been more important. And if it is important in the sectors of society that create the wealth, it is even more important in the sectors that spend the wealth. A government that is not cutting its deficit, cutting inefficient, nonproductive spending, is contributing more to the problem than it is to the solution."

As I indicated previously, the chairman did mention some causes at the root of inflation. My opening comments related to the banking institutions here in Canada, the Bank of Canada Act and the Bank Act itself. We have the money-changers controlling our market of available money and even controlling the Canadian dollar, just by a telephone call from day to day. I tried to indicate to the members last night that this is an exclusive club made up of bank investors and the Bank of Canada. If one looks deeply enough into the area of the Bank Act and those persons who are the money managers, the money-exchangers, whatever we may call them—I could use the word "manipulators"—they are using every source at their disposal of Canadian savings, insurance companies, trust companies and the banks themselves.

The Bank of Canada has a similar role to the Treasury Board in the American banking system. The Treasury Board in the US can control the shots. As I indicated last night, the good news in the past week is that interest rates have dropped considerably and it is to be hoped they will go down to a level that will be affordable to the Canadian economy. We can be thankful there is an election in the United States this year. That has brought about this change, not government action or the banking system here in Canada, but the American government and the banking institutions there.

11:20 a.m.

If we look at the recent amendments to the Bank Act allowing foreign banks to operate in Ontario and throughout Canada, I suppose it means there is some influence by the American-controlled banks on our economy. We can say that whatever happens in the United States pretty well follows as a trend here in Canada.

The capital necessary for a dealer to operate comes from day-to-day bank loans and in certain instances from the Bank of Canada. It is evident we do have a cartel operating under the Bank Act of Canada. This special group of bankers, trust companies, insurance companies and speculators have far too much power. They can make that one phone call day by day that can change the bank rate. They can perhaps change the value of the Canadian dollar to suit their own personal gains. Perhaps the members of the Legislature have not really looked into the area of bank profits and their origins so I thought I would bring this to their attention.

When we look at inflation, we should be looking at the cost of borrowing money from the banks in Canada. The historic difference when

borrowing money from the bank at one time was a spread of between two and three per cent. Today the spread is generally between five and six per cent. In fact, if one were to look at the charts, and I thank the Legislative Library for providing this information, the Royal Bank had a loan rate of 23.75 to 25 per cent within the last year. Meanwhile, the savings rates were 17 and 19 per cent. In other words, the spread was 4.75 and eight per cent.

The Bank of Montreal's prime rate was 21.25 per cent plus 2.5 and even three. The savings rate was 19 and 17 per cent, depending on which way one's money was put in the bank. The Bank of Nova Scotia was another high one with a 25.25 per cent loan rate and its savings rate was 18.25 and 17.25; the spread was between eight and six per cent. The Toronto Dominion Bank had an exceptionally good thing. I suppose we should all have had our money at the Toronto Dominion Bank. Its loan rate was 23.5 and 26 per cent and its savings rate was 19 and 16.75 per cent; the spread was 9.25 and 4.5.

When we talk about inflation: we have a particular group of managers in banking and other institutions who can control the money market, they can increase that spread. Normally, the historic figures were two and three per cent. They could operate on that and I think everybody was happy; we were borrowing money that was affordable. But the banks stepped into the picture, changed the rules and can have that enormous spread, generating huge profits at the expense of the consumers and the taxpayers of Ontario.

When we talk about inflation: the Bank of Canada in a banner year last year showed a profit of \$1.85 billion. That was taken from the general public to generate that source of income. If the Bank of Canada made a \$1.85 billion profit in 1981, think what all the other banks and trust companies generated in huge profits over the year.

When they single out the government as being at fault for its deficit spending, borrowing money and removing some of the capital from trust companies, banks and loaning institutions, they are very critical and say, "You are the ones who are causing inflation." I believe when companies or banks can make that much profit, and all the other profit that has been generated by the banks at a time of economic difficulties, bleeding the people of Canada, it is time we took some strong measures to review the Bank Act and bring in some legislation so this does not happen again under the economic condi-

tions Canada faces today. There is no way we should permit that type of blackmail.

When we look at the cost of inflation on the purchasing power of the Canadian consumer dollar in 1981, it took one Canadian consumer dollar to buy what 42 cents could buy in 1971. The consumer price index indicates that consumer prices in Canada have risen approximately 137 per cent during the past 10 years. I suppose if I look at the government members, who are the managers of our economy and of the tax programs in Ontario, I feel that they can be held responsible for that area because the last year that the province came in with a budgetary surplus was under the Robarts government. We have found in the last 10 years that this government has continually gone downhill by huge deficit spending, and yet unemployment increases.

I was looking at the Fraser Institute's Tax Facts highlights. It says: "In 1961 the average family had an income of \$5,000 and faced a total tax bill of \$1,675. By 1980 that family was earning \$22,000, but a total of \$10,306 went to the tax collectors at the federal, provincial and municipal levels." There is some indication that because of the heavy government expenditure and so on the people of Ontario are being taxed to death.

I suggest that it is time we look at these two areas, the banks and the government and their expenditure. I think it is time that the public in Canada and Ontario asked for accountability for the tax dollars that have been taken from them and other areas of savings.

Last night I mentioned that I would get into the bail-out of the Dome deal by the federal government and the Canadian banks.

The Acting Speaker (Mr. Cousens): Does this tie in to Bill 179?

Mr. Haggerty: Yes, it does. We are dealing with restraint programs for Ontario. We are singling out the working man as the cause of the high inflationary costs, and I am trying to pinpoint the idea that it is the other side that has more responsibility and has shared some of this high cost of inflation to the taxpayers. I feel that Bill 179 as it relates to one sector, the public service sector, is an unjust and unfair type of bill to bring in at this time. There are other areas that this government should be singling out. I mentioned the banks and government expenditure. I suggest that I am right on the principle of the bill.

As we look at the Bank of Canada along with all the other banks, it is interesting what their

deal with Dome Petroleum netted—I should not say netted, cost the banks, and I suppose when I look at it that there is some sense of greed in this deal. The government, the industry and the banks were looking for the high price of oil that was forecast to be somewhere around \$85 within this decade, perhaps higher than that. Everybody jumped on the bandwagon and said, “Here is where we can really generate huge profits at the expense of the citizens of Canada and Ontario.”

I want to put this forward to the members of the Legislature so they will see what investment there was to bail out Dome. When I get into this report, it questions the prudence of the banks and raises the issue of the banks’ social responsibility to ordinary Canadian customers, particularly in the loans that have an adverse effect on the liquidity of the banks.

According to the Bank of Canada, the total amount of money lent by Canada’s chartered banks to the petroleum industry for all purposes by the end of 1981 was approximately \$16.2 billion, which is the projected size of the current federal deficit. About \$11 billion of that could be attributed to acquisition spending. When one looks at that much capital that has been taken off the ordinary market for the purpose of the banks—I think in the first place it was for short-term loans—the adverse effect on small businessmen in Ontario is obvious; particularly on those looking for capital to expand or just to carry their cash flows because of the high interest rates and cost of operating an industry or business today.

11:30 a.m.

It is estimated that the company owes approximately \$200 million to the Bank of Nova Scotia, \$500 million to the Royal Bank, \$900 million to the Toronto Dominion Bank, \$1 billion to the Bank of Montreal and \$1.2 billion to the Canadian Imperial Bank of Commerce. He also mentions operations of Dome in other areas which the banks have funded.

Inco is facing severe difficulties in trying to survive the tough economic climate and selling its products and creating jobs in the Sudbury basin and, in particular, in the Port Colborne area. The management board of Inco has taken a policy to assist in reducing borrowing requirements because of high interest rates. To maintain a stable industry here in Ontario and Manitoba, they have taken the option of selling off some of their assets.

Dome Petroleum, which has about 50 subsidiaries worth billions of dollars throughout the world—there is no doubt it is a multinational corporation—could have sold off some of them to create capital without going to the banks to borrow money.

The Acting Speaker: With all due respect to the honourable member, I have a great deal of trouble seeing how the present aspects of his presentation apply to Bill 179.

Mr. Haggerty: We are talking about the government restraint program, Mr. Speaker.

The Acting Speaker: We are talking about the Ontario government restraint program and the honourable member is going into areas beyond the application of this bill.

Mr. Haggerty: I have some disagreement with the Speaker on this particular matter. I am talking about government restraint, government expenditures—

The Acting Speaker: Ontario government?

Mr. Haggerty: Whether it is the provincial government or the federal government, this report and the legislation before the Legislature deal with the possibility of further restraint programs in the companion bill which may come before this House very shortly, relating to government expenditures.

I am suggesting that allowing this type of transaction to be carried on throughout Canada affects the economy of Ontario. This government will have to tax Ontarians through personal income tax and other taxes, including increased sales tax.

If the banks had not gone so deeply into financing short-term loans with Dome Petroleum, there would have been a sufficient supply of money in Ontario for private sector borrowing. I do not have to talk about the difficulties small businessmen are having today to get money from the banks. There is just no money available. In fact, banks are calling in demand loans today and that affects the agricultural sector of the province.

These difficulties in the farming sector mean this government will have to increase taxes next year to bail out or to assist the farming community and some small businesses in Ontario. I suggest that is not a restraint program. It is compounding the problem, in a sense. The capital is there and the responsibility lies with the Bank of Canada.

The Acting Speaker: I can only ask the

honourable member to find his next point as quickly as possible because I have great difficulty seeing how that applies to the present bill before the House.

Mr. Riddell: You have no sympathy for the farmers, Mr. Speaker.

Mr. Haggerty: No, he is not for the farmers. I bring this to your attention, Mr. Speaker. I know time is important to the Legislature and that other members wish to speak, but that letter from the Royal Bank singled out the government as one of the corporate bodies that are running huge deficits which should not take place because of the cost of borrowing money.

The budgetary principles set forth by the Treasurer of Ontario show that it takes about 10 per cent of the 1982 budget just to carry the interest charges for the huge deficit of this government. If that is not in the area of restraint, I do not know what the bill is all about.

I am sure many others do not understand it either, except that the government is going to place the penalty upon the public sector of Ontario. Somebody has to be the fall guy, so I guess it is the public sector.

My leader has indicated there is inequity in the bill the government has put forward. He says it should cover all sectors of the economy. Looking at what he is saying and suggesting to the government, there is no doubt there will be amendments in this area by the official opposition. We want to tie in the high interest rates, to control the interest rates in this country.

As long as interest rates are this high we are going to have industries and farmers going into receivership. We could almost have this government or even Ontario Hydro go into receivership if it were not for the backing up of this government by the people of Ontario to provide security.

The Treasurer talks about a triple-A rating. If one is a good paying customer one can get almost any amount of money one wants to borrow. I suppose that is where the triple-A rating comes in. It does not mean that much. It may mean one-eighth of one per cent less than would have to be paid on a normal market, or something like that.

I suggest the things I am discussing are right on the principles of this bill. I bring that to the attention of the members. That is an area we should be looking at. It is not only the government but the banks that are at fault in bringing about the high cost of inflation.

I mentioned the problems of industry having

cash-flow difficulties. This government is having them today too, but the banks and every businessman are singling it out as the fault of the government.

Let us take a look at what the government is doing today. The banks should be lending money in short-term loans to industry and small businesses in the private sector. The banks have failed in this area so the government has to go out and provide funding through Ontario Development Corp. loans and small business loans to the private sector. It is to be hoped this is going to keep our economy going and employment is going to go up.

I feel it is an area the government perhaps should never have gotten into. It is the private sector that should be doing this, not the government going out and hitting taxpayers with huge taxes which in the long run removes cash flow from the ordinary citizen, the working man in Ontario, because he does not have the additional cash flow to go out and buy consumer goods.

The government is trying to encourage more production and productivity. If the working man does not have money in his pocket, how on earth is he going to buy consumer goods? How is he going to buy household appliances? How is he going to buy a home today with the high interest rates?

I suggest that is the area where this government should be looking at restraint, compelling the federal government and the banks, etc., to meet their responsibility in this area to control their expenditures. In a sense it is to say, "Do not get into deals like Dome, for example, at the cost of the consumer."

The federal government has to go in and bail them out. When the government bails out any industry, it means the taxpayer has to pick up that load through higher taxes. When there are higher taxes, the working man and the person employed in industry, even white-collar workers, demand more wages to offset the cost of government expenditure and some of the waste in the banking system in Canada.

It is a vicious circle. The bill does not go quite far enough. Apparently my colleague the member for Welland-Thorold (Mr. Swart) has said the New Democratic Party agrees with the principle of the bill, but wants tougher administrative regulation of those prices and monopolies. I suppose the banking institutions in Canada have a monopoly here.

"I cannot quite agree," he says. "In some

areas perhaps the tough regulatory controls will work." He wants to go all the way. If he cannot get it there, the next thing the NDP wants is public ownership. That means we would be going further and further into debt and there is just no end to bailing out whatsoever.

11:40 a.m.

We should be thankful that we have some governments looking at areas of deep concern. If I can recall my views on certain things, I think many politicians do not make decisions about which way we should be spending public money. There should be more accountability at all levels of government, particularly from this assembly here. Too often, we take a look and say, "It is not my money, so we will spend it."

In my experience in sitting on council I often looked and said, "Can I afford it as a worker?" If I could not afford it, I felt government should not get into some of these areas of heavy expenditure.

It is important to look at the problems facing us today. I suppose what we should be doing here is setting an example by looking at all the different programs available in Canada to assist industries, to assist farmers and to assist everybody else who is getting some form of a subsidy. Maybe some of these subsidies are not warranted at this time. There should be a study of this area.

In 1974, speaking on a similar issue during the throne debate, I talked about the huge profits made in the oil industry and I covered quite a few areas. I was quoting from the Royal Bank newsletter—for some reason I enjoy reading their letters—and I want to quote this again. I said: "This is from the monthly letter of the Royal Bank of Canada, which has its head office in Montreal.

"Applying to business his principle of the basic need to survive, the deputy chairman and executive vice-president of this bank said to the Canada-United Kingdom Chamber of Commerce in London in May: 'Profit is an essential condition for the survival and growth of an enterprise. Profit is also, of course, the required incentive and reward to the providers of capital. Profit is also the most effective measure of an enterprise's operation.'

"Then he went on to speak of the second obligation: 'If corporations are not seen to act, and do not in fact act, in a socially responsible manner, their long-term survival could be threatened. We are fast reaching the point where the social and political climate almost

everywhere in the world will make it increasingly necessary for businesses to justify their existence on grounds other than purely economic success as expressed in terms of profit to shareholders.'"

I think there is a good message in there, which is that the banking institutions in Canada have a social responsibility to justify their high interest rates. Too many persons and families have suffered because of high interest rates. Families have lost their homes and there is high unemployment due to funding capital not being in the right areas. I suggest it is a good measure that we all should be looking at.

I am almost ready to conclude my remarks but I want to quote something from the Premier of Ontario in his speech on September 21 in the Legislature: "The inflation restraint program which we are proposing today is but one step in a process to promote economic recovery. We are currently working on a further series of initiatives designed to generate further employment and to stimulate economic activity."

He went on to say: "We will require the co-operation of the federal government of Canada to achieve these objectives. As such, I would ask the Prime Minister to reconsider his position and convene a first ministers' conference on the economy as soon as possible. An important second step would be the establishment of a national task force on economic recovery, involving all levels of government"—I hope that includes municipal government—"industry and labour." He includes all levels of labour too. "It could provide a valuable forum for businesses, labour and governments to review proposals and to establish the policies necessary for a sustained and vigorous economic recovery."

We have no objections to that. I think it is important that we have co-operative measures in solving the economic problems facing Canada. It might be called an economic war. One of the lessons we learned in my time in the Second World War—and we had difficulties in war that related to economic conditions too—was to have a co-operative effort by all members of government. They sat down and came up with an economic program to bring us through that war.

I can see no reasons why a similar program cannot be applied today. One area we should start with right now is to appoint a committee of this Legislature on a co-operative basis to hold public hearings, bring the public in and find out what their feelings are, rather than just taking a

poll asking if it is time to move on a restraint program.

What is going to happen one year or two years down the road? The same thing that happened back in 1975-76. We will be right back where we started, with high inflation. Everybody will be saying, "It is catch-up time now," and wages will increase considerably. Some will be the benefactors of huge increases and others will remain at the bottom of the totem pole. I suggest that is an area we should be looking at.

There is the example that controls did work in certain areas in 1975-76 and 1977, so they can work now. I agree it should be a co-operative effort. I think members on this side would accept that challenge to assist the government, because it has not been very good at managing the taxpayers' money. There has been a lot of waste. I suggest it is time a co-operative effort is made by members of the Legislature to participate in government programs a little bit further with a little more input.

There are many areas I could get into. I think my leader has put forward a pretty good package on wage and price controls across the board. I support him on that measure and I think the government should continue to bring under control other areas, the ones that have a little bit too much leeway, the banks for one.

When the minister gets together with his counterparts—and they are all members of one particular party from across the country, and he has pretty good contact with the Prime Minister of Canada—there is no reason why the matter I have raised about the power of the banks cannot be mentioned. I feel they should be stripped of some of their control, and there should be accountability as to how they are spending the consumers' tax dollars.

Another area we might look at is the problem of capital leaving this province and Canada. Perhaps we should be following a principle that was established during President Kennedy's term of office, when he had exchange controls to restrain the export of American dollars out of the country.

We have had it looking so good for us here. The old saying was, as long as our dollar was down we would have all kinds of investment coming into Canada and into Ontario. With the Canadian dollar 20 to 25 cents lower than the American dollar, I have not seen investment coming from that side over here. There has not been that turnaround, and I think the Treasurer knows this.

I think the only place they are really getting a benefit on the exchange on the American dollar is in the gas war that has been carried on for the last two or three years down in the town of Fort Erie. Some of them are getting as high as 40 cents on the dollar purchasing Canadian gas down there.

Again, that is an area that should be looked at. Why is gas being dumped down in that area and not spread out across Ontario so all consumers could get a kickback on the glut of gasoline on the market today, instead of having a little bit of a gas war here and there? There are many areas we should be looking at.

11:50 a.m.

I support the bill in principle. I do not think it goes quite far enough. I disagree with the principle of the bill in the sense that it restricts the restraint program mainly to the public sector. I do not think any sector should be singled out to bear the burden of the government restraint program. If it is going to work, it has got to be across the board.

Mr. Lupusella: Mr. Speaker, I remember when, in 1975, the federal government enacted the so-called wage and price control legislation. Today in Ontario we are faced with the same type of legislation in Bill 179, which I call control over wages.

I wish I had the eloquence to persuade the government to withdraw this bill and adopt a program which would really come to grips with our economic problems. We have had some time now to study this bill. I am convinced that Bill 179 will not create jobs for the people of Ontario. It will not help people with modest or low incomes. It will do nothing to bring down the cost of living.

Everyone agrees we face an economic crisis. Nearly 700,000 people in Ontario who want work cannot find it. Our factories are operating at less than 70 per cent of their capacity. Every day a plant closes, a shift is taken off in another factory, a retail outlet lays off people, workers are being forced into work-sharing programs and indefinite layoffs are increasing.

The economic crisis has not come upon us suddenly. It is the product of ill-considered policies of this government and of the Liberal government in Ottawa. It is not surprising that high interest rates are driving people out of work. Yet, Mr. Trudeau, Mr. Lalonde and Mr. MacEachen are all telling us that high interest rates must remain. They agree with the gover-

nor of the Bank of Canada. At the same time, Joe Clark tells us he has no policies other than those advocated by the Bank of Canada.

Whenever the Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis) are asked to comment on the problems caused by high interest rates in Ontario they agree that high interest rates are putting people out of work but say it is up to the federal government to solve the problem. The story was the same in 1975: it is the fault of the federal government and not that of the government of Ontario.

Every province west of Ontario has provided help to low-income people in dealing with high interest rates on their mortgages. Ontario has no program. My colleagues in the New Democratic Party have for years been putting forward alternatives to the government's economic policies. We have been suggesting ways of creating jobs in this province.

The government has responded twice: the first response was the Board of Industrial Leadership and Development program, which was designed to provide flashy brochures and a little promise to dangle at every stop of the election tour. Instead of a program to create jobs, the government gave us a program to elect Tories.

The ink had hardly dried on the BILD program when the government saw that it was not working, as unemployment became worse and worse. Now we see the government's new initiative, the wage restraint program. Ontario desperately needs jobs and the government has failed badly in this regard. All the handouts to the private sector have not created jobs in Ontario. The government is short of money and has devised a program to save the government money. We need a program to save this province's economy.

I feel that Bill 179 will simply lead the government down the slippery path of even worse economic decline. As fewer and fewer people have money to spend, more and more plants and factories will close down. No matter how close the Treasurer comes to balancing his budget, it will not mean a thing if the people of Ontario cannot afford to buy the products that are made here in Ontario.

Day after day in question period my colleagues in the NDP have been asking the Treasurer how his restraint program will create jobs. He refuses to answer the question. He somehow believes that if people spend less, more people will be working. I can tell the Treasurer that the people of Dovercourt have not been engaged in fuelling inflation. They are

people of modest means and modest ambitions. They want steady jobs. They want to own their homes or be able to rent an apartment at a rent they can afford. They would occasionally like to buy a new refrigerator or a new carpet. The Treasurer is making that less and less possible.

There are clerks in my riding who work for this government. They were making \$15,000 to \$16,000 a year and they thought maybe they would get an 11 per cent increase next year so they could keep up with inflation. The government tore up their contract.

No matter how often the Treasurer tells us his government is protecting people with lower incomes, it is shown to be erroneous whenever public servants pick up their paycheques. He says someone earning between \$15,000 and \$20,000 is protected by his program because he will be allowed to receive an increase of up to \$1,000.

When you are at the bottom of the economic heap, the \$1,000 or \$2,000 you are promised is a very bitter pill to swallow. That is what this government is attempting to do with Bill 179. The Treasurer has created an illusion that it is protecting people at the bottom, but the people at the bottom will not see it in their pay envelopes at all.

I believe the root cause of the failure of the government to come to grips with the economic problems is that it is so extravagant itself that it knows nothing about restraint. I suggest that the government of the Premier is the only government in the world that, when asked to restrain its expenditures, looks first to the salaries of the lowest-paid civil servants in the province. It is incredible to me and to the people of Dovercourt how the Premier could look around his \$40-million advertising budget and not touch a penny of that before he announces a restraint program.

This government, while announcing its restraint program, was also paying a consultant \$20,000 American a day to come to speak to senior bureaucrats and cabinet ministers. Unfortunately, the cabinet ministers could not attend the meeting, because they were at a cabinet meeting in which they were figuring out ways to control the wages of low-income workers in the province. Nevertheless, Mr. Martin got his consulting fee.

This government is known for its excesses. Last week we found out that the government is spending \$890,000 to try to encourage people to vote in the municipal elections. I have no doubt that if more people vote in the municipal elections we would have better government. I

think it is very worthwhile to encourage people to vote in the elections.

Nevertheless, in a time of restraint why should the government be spending \$890,000 to duplicate what candidates are doing across the province? This is the same government that refused to move the election date to October when the weather would be better and more people could get out to vote, the same government that constantly takes power away from municipal government, the same government that refuses to reform the governments in Metropolitan Toronto to make them more accountable. All of those things would have been cheaper to do, would have encouraged more people to vote and would have made our society more democratic.

12 noon

The only reason the government is spending all that money is it wants to create more of a sense of a Big Brother provincial government everywhere in the province. This government is extravagant in big ways and small ways. I think of all the silly things it does.

I think of the trip to Thunder Bay last May by the Minister of Government Services (Mr. Wiseman) which cost nearly \$4,000 but could have been done for \$800. Why did the minister go to Thunder Bay? Because the Treasurer could not leave the House since he had to defend his unfair budget which was taxing everything that moved. The minister volunteered to take the Treasurer's place and went to speak to the Progressive Conservatives at Lake Nipigon.

However, in spite of \$4,000 of taxpayers' money having been spent, that minister was not terribly popular. The local paper reported that all he did in Nipigon was speak to the Canadian Broadcasting Corp. Surely, in the huge communications staff of the government, someone realizes that the CBC is available in this very building and we do not need to spend \$4,000 to send people up there. I want to make it clear I think it is quite important that politicians travel to every part of this province to talk about the problems in Ontario, but they can fly economy class, not on chartered airlines and chartered personal jets.

Every time I ride on a public transit bus in Toronto, I see the hypocrisy of this government. On Bathurst Street in my riding, people are waiting longer and longer for buses. The government is giving less money and forcing up transit fares. Yet every bus that comes by is decked out with a symbol saying, "This bus is operated with the assistance of the government

of Ontario." Those plaques should really say, "This bus is operated with too little financial assistance from the government of Ontario." I am not advocating for a moment that we could afford to go and put more plaques on buses to tell the truth about this government. I just advocate that the government stop spending money on improving its image that way and start improving its image by taking the action we need.

With the same principle, I would like to quote Paul Godfrey in the *Toronto Star* of October 1, 1982. He said, "The only way to keep taxes down to five per cent next year is to cut back drastically on services." I just wonder why people in my riding are waiting longer to take a bus. It is because the service is cut off.

Another extravagance of this government is its present plans to hold a celebration in 1984 of the bicentennial of the United Empire Loyalists coming to Ontario. What is most amazing is this government has decided to celebrate an event which two polls showed nobody wants to celebrate. I have no doubt that a modest marking of the coming of the Loyalists would be in order, but this government is so intent on creating its presence in every nook and cranny of this province that it is fabricating historical events.

The coming of the Loyalists was not the founding of Ontario. Ontario began with the native people. They were followed by the Franco-Ontarians. They were followed by other immigrants. Then came the Loyalists, and then came many other people to help found and build this province. The only reason 1984 was chosen for the celebration is that the Premier believes he will need more votes in 1985 for another majority government. We hope not.

Any government in its right mind would know that there is a better way of spending \$10 million than in celebrating an event that no one in this province wants to celebrate. This government has a strange record of extravagance. It seems to know no limits when it comes to spending money to promote its own image or to take polls to find out which direction it should go. Polls will not find the solution to the economic problems. This government has taken polls constantly for the last five years. Polls may have given it a way of getting re-elected, but they have driven our people to joblessness.

This government has carefully set up working people who are really the victims of a recession. The government has gone on a careful program to blame them. It knows full well that certain highly paid civil servants are the targets of

public outrage, so the government slaps just a six per cent pay increase on them.

I remind the government that it speaks out of the other side of its mouth when it frequently reminds us how successful it has been at trimming the size of its public service. I remind the Treasurer that there are all sorts of teachers walking around this province today without jobs. I remind the Treasurer that when he was Minister of Health there was a surplus of nurses in this province and they had no jobs. I remind the Treasurer that hospital workers remain among the lowest paid in this province. I remind the Treasurer that graduates from programs in early childhood education, day care and people-oriented services do not find jobs so readily in Ontario. Nevertheless, the government has made a target of working people. It has implemented a public relations strategy in order to solidify public opinion into blaming public servants for inflation.

It is not the public servants of this province who sold off our economy to the Americans and are contributing to the enormous capital outflow. It is not the public servants of this province who are taking home wages of \$50,000 and \$60,000. It is not the public servants of this province who are spending their money outside this province. This government, which is addicted to its own extravagance, begins to apply restraints to people whom it views as its enemies.

In the strangest of ways this government learns effectively to control the wages of unionized workers and workers in the public sector. It manages through a strange twist of logic, which the Treasurer has still failed to explain, to somehow put doctors into another category.

This government will succeed, if it passes this bill, in controlling the wages of 500,000 people in Ontario, but there is nothing in this bill that leads us to believe that it will have any effect at all in controlling prices. Bill 179 contains no new protection for tenants. In spite of Bill 179, gas bills for home heating will probably go up about 20 per cent in the province next year. In spite of Bill 179, electricity bills will also increase substantially over the five per cent. Bill 179 will do nothing about the cost of food or health care. This bill we are faced with will not revive our economy, but it will place enormous burdens on close to 500,000 Ontarians. The bill must be withdrawn.

12:10 p.m.

Before putting forward some positive suggestions which I believe would be central to a program of economic recovery, I want to speak

briefly about a section of the bill I think is most reprehensible. This is the section that gives extraordinary powers to Mr. Biddell. The bill simply gives far too many arbitrary powers to the government and to the board itself.

Section 25 states: "The Lieutenant Governor in Council may make regulations . . . where it is considered necessary for the restraint of public sector expenditure, adding to or deleting from the schedule any person or class of persons, or any agency, authority, board, commission, corporation, or organization of any kind." I see there an arbitrary power which this legislature should not give to any government. This bill would allow the government at any time, on any whim, to designate any person or class of persons that receives money from the government as targets of control.

I would remind members that the bill also gives the board the power to make decisions without even holding hearings or giving reasons for its decisions. The decisions made by the board will have an impact on thousands of workers in this province. It will have the effect of lowering their standard of living. This bill takes away the right of appeal and even takes away the right to make a fair argument. It is too bad that everyone in the province was not here when the Treasurer confirmed our worst suspicions. He confirmed that the Inflation Restraint Board will have the right to make any order, decision or determination without hearings or without even giving a written reason for the decision.

The Treasurer confirmed that the board can deny any increase in the transitional period. It can award less than the employer wants to offer. The Treasurer confirmed that on collective agreements that expired before October 1, 1981, the board could make a unilateral determination and could give as little as no increase at all. Finally, the Treasurer confirmed that the board could give nonunionized public sector workers much less than five per cent during the control year itself.

I simply do not believe that these arbitrary powers will in any way lessen our economic crisis. I do believe they will set back collective bargaining and will lessen the amount of freedom in our society. If the government wants to pay its employees less money, it should negotiate lower wage agreements and not simply take away income by exercising arbitrary powers. In these economic times, I agree with the government that we should be shifting the burden of the recession in this society. What I find

astounding is that the government is shifting the burden on to low income earners and to public sector workers.

Our party believes we must find money to deal with both the government deficit and to spend on employment creation activities. We believe the most sensible solution is to impose a surtax of two per cent on those people who have a taxable personal income of above \$40,000. This will affect fewer than 10 per cent of income earners in our society. It will affect only those people whose incomes are well above \$50,000. This could result in \$290 million coming into the public treasury for use in all sorts of job creation programs.

Our party believes that the banks that made enormous profits in Ontario in the last five years must share the burden of this recession. We have called for a surtax on bank profits and we continue to make that demand.

Another area of taxation which is of great importance to me as a member representing Metropolitan Toronto is the question of a land speculation tax. It seems to me at a time when people are losing their homes and at a time when there are no vacancies in apartments in Metropolitan Toronto, we must begin to do something to control the cost of the land. I would call for the immediate reintroduction of a land speculation tax. A speculation tax on land would only hurt people who buy and sell land for the purposes of making a profit. It would take nothing away from those who buy land in order to establish a home and to raise a family. Our party would exempt the principal residence of every taxpayer. We would say, "Don't buy a second, third, fourth and fifth piece of property in order to make profits, we simply cannot afford it."

We have also called for the reintroduction of succession duties in the top three per cent of estates. This is simply a way of providing funds necessary to invigorate our economy.

I have already outlined quite clearly a number of ways in which the extravagance of this government could be cut. Besides the silly expenditures and the clear wastefulness which this government has shown, it has also made a serious mistake in planning. It is for this reason that our party has called for a public inquiry to assess Hydro's spending plans and to take a particular look at the cost of Darlington. We know we are expanding our capacity to generate electricity far beyond possible demands. Overcapacity in electricity is something that

Ontario cannot afford right now. The government should find that out quickly.

We in our party believe that money should be invested in job creation. We believe one of the best ways to stimulate the economy is to ease the burden of the recession period. We should get rid of the stupid sales tax increases which the government brought in last May. By taxing everything, that move took away disposable income and cut down on people's expenditures.

We also must provide for assistance to home owners, small business and farmers. This is a truism, but it is just as true that the government has not done a thing to provide mortgage assistance for home owners. The NDP cannot see why this government is incapable of responding to the very real needs of our province in tough times. The NDP believes the province should use its power to control prices in order to turn our economy around. We advocate decreasing the cost of hydro and home heating fuels for at least eight months.

Until the economy turns around, the government should change the ad valorem tax on gasoline to prevent it from escalating. Investing in energy conservation by decreasing transit fees is a good investment for our economy. We also believe that retail gasoline prices are growing much too fast. Since the federal government will do nothing to slow them down, then we must decrease all other prices that are being passed through, other than those which come as a result of the energy accord.

The people of Ontario must be protected from the soaring rates of auto and home insurance. We must also work to get the federal government to do something to get back Bell Canada windfall profits. If we got them back, the people of Ontario would have \$50 million more to spend on products made in Ontario.

12:20 p.m.

It is also time to ban extra billing in health care. Extra billing by doctors has been undermining universal access to health care in the province ever since this government accepted the principle of a publicly funded health plan. Surely with the squeeze on everyone on every side, the government in the name of fairness and in the name of economic recovery could once and for all go to the Ontario Medical Association and say, "Yes, we will respect your contract but you must respect the sick of this province and stop your members from extra billing."

Now, when there is less and less money to go around, is the time to tighten rent controls. I endorse the bill of my colleague the member for

Etobicoke (Mr. Philip) which would see that landlords as well as tenants bear the cost of the high interest rates. The bill would plug up the holes that have appeared in rent review by extending it to cover buildings constructed after 1975 and would plug many other loopholes which the government has refused to do. We believe that in a 12-month period no landlord should get a rent increase that is more than the increase in the cost of living, and that such an increase should only be granted when he can show that his actual costs have gone up to the same extent as the cost of living.

With more and more of our citizens lining up at soup kitchens, it is time we controlled the price of essential foods. We must limit the spread between money that is being paid at the farm gate and the money that is being charged at the supermarkets. We must prevent additional markup by retailers.

Our party time and time again has outlined in this House our programs for job creation. We would begin by investing in housing in the nonprofit sector. People need housing and are without housing. Our lumber industry is closed. Our forest products industries are shut down and our furniture and appliance industry is going under, but this government cannot make the connection.

By engaging in major investments in energy conservation and the retrofitting of homes, we can provide 20,000 new jobs for young people. By saving that energy, we can deal with Canada's balance of payments problem and move Canada closer to energy security. The opportunity is there and this government refuses to take it. Its small-time programs are not acceptable. We believe that the industrial sector, the traditional backbone of our manufacturing industry, needs help.

We need a crown corporation for auto parts so that the auto industry in Ontario at last gets its fair share. We need to review our food processing industry. The Premier has blamed the federal government, yet his government is also distinguished for its lack of action as the food processing industry in Ontario has declined. We must get busy on machinery—machinery for forestry, pollution abatement and mining. These are all opportunities in Ontario which this government is missing.

In conclusion, I will try to make three essential points about Bill 179. First, we do not need it; it does not address our economic problems. Second, the government is so given to its own extravagance that it is unable to restrain itself.

Third, instead of restraining itself, it attacks the victims of this province and asks the poorest members of our society to bear the cost of the government's neglect of the economy.

I have tried to outline the positive programs which would begin to move us out of the economic recession. I ask government to admit its mistakes. Withdraw the bill and introduce positive programs for job creation. That is what Ontario needs today.

Mr. G. I. Miller: Mr. Speaker, it is certainly a pleasure to be able to rise and participate in this very important debate on Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province. I think this is one of the most important and critical times in the history of the world, in Ontario and right down the line.

Since September 21, when the Premier (Mr. Davis) and the government called us back to the Legislature, we have had the opportunity to deal with this issue. While the Premier did provide some leadership by calling the Legislature back, I think he had the opportunity, along with the government of Ontario, to co-operate with the federal government and have some continuity across this great country of ours by participating in the six and five program.

That would have given a lot more confidence to everyone and brought Canada together. There would have been a very much stronger effort, but the government did not see fit to do that. It wanted to go its own way, as it has been doing for so many years now, protecting its image and its right to represent this province. I would like to put this on record now as criticism of the government, that if it really wanted to show leadership, it certainly could do so by showing a little more co-operation with the rest of Canada and the federal level of government.

Our friends on the left have supported the right of our public sector employees to negotiate increases. I would like to pay tribute to the member for Dovercourt (Mr. Lupusella), who has just spoken, for taking part in this debate. It is good to see him back as a member.

Mr. Grande: An excellent contribution, you must admit.

Mr. G. I. Miller: No doubt about it. He is making his contribution on behalf of his constituents. It is good to see him back as the member for Dovercourt, and I would like to wish him well.

As the member for Haldimand-Norfolk, I

would like to speak on behalf of my caucus. Our leader made it clear in this debate that we have opened up a new track as far as the Ontario Liberal Party is concerned. I think it really separates us from the government and from the fellows on the left. I think this is a time when we have to all work together. We cannot expect the public service to take increases over the limit, while we have many people in the private sector who have not had increases for three years.

To give an example, I was talking to a local businessman in Simcoe, who was walking down the street with a judge. They were discussing the economy and the five per cent restraint program. The judge indicated he could not live on five per cent and the businessman pointed out to him that he had not had an increase in three years and he is still living.

Mr. McClellan: What about the judge?

Mr. G. I. Miller: He will have to accept it, when it comes down to the final decision, and live within the wages he will be receiving.

Another example of the private sector not having had raises this year is a trucking firm in Caledonia which employs 125 people. The management called the employees in early in 1982 and said: "We haven't had to lay off anyone, but we cannot increase your wages. We can keep everybody employed if you are willing to accept your present wage." They did that and they managed to maintain that employment.

The thing we really have to be concerned about is to make sure that everyone has a share of the action. They have to be assured that there are going to be some opportunities and it cannot be done by continually taking more money from the working class and giving it to the public sector, whether we agree or not that they should have those rights. A couple of years ago, when we dealt with the waste disposal site in South Cayuga, the legislation was there but this government would not permit the use of the legislation. It was taking away rights.

12:30 p.m.

In this case we are dealing with it here in the Legislature. We have had a debate on it. It has gone on now for almost four weeks. I think it is time we wrapped it up and got it to committee as something we have been successful in accomplishing. There will be public input and, hopefully, we can come up with constructive ideas to resolve the employment situation so we can get the economy moving again.

As we look back, interest rates a year ago—as high as 25 per cent—had a detrimental effect on

the overall economy. It is obvious to me as a farmer and a businessman, and I have been a farmer all my life, that no one can survive with that kind of an interest rate. It is impossible. Nobody can make that type of profit. I felt from the very beginning that was going to be the area which was perhaps going to sink the ship. Maybe the banks recognized they were in financial trouble long before the average citizen could and they had to recoup those profits to survive.

It is good to see the rates coming down now, at least within a range we can perhaps live with. Only yesterday a report came from the United States that there could well be interest rates of seven per cent by September 1983. If they come down to that level, I certainly think it would be in the best interest of us all. It would be an added incentive to get us moving. If one can make a profit of two or three per cent, one can survive, but when one has to pay interest of 25 per cent, which is one quarter of any overall income one has for one year, there is just no way a businessman, a home owner or any one else would have any money left to put into the economy.

While we are debating it here, out there in the world, as our friends to the left have indicated, is Reaganomics, which the Americans are using but we follow closely. I think they are trying to let the free-enterprise system work to some extent. I think we have to withdraw from so much government interference. If we employ government people to tell us what to do, we are going in the wrong direction. That seems to be what we are getting from the left. We have to have legislation that will assist free enterprise and lessen the red tape we have to deal with so we can use our own ingenuity and our own ideas to get our people working.

In the summertime our leader brought out a proposal. I think he showed leadership while the government was using polls to make sure it was not going in the wrong direction. We indicated as early as mid-August that we should have a program that would be designed to fit in with the national thrust and that was equitable and fair, not singling out any one body but having across-the-board wage and price controls as the first step to economic recovery, indicating that those at higher wage scales could not expect the same increases as those at the lower scales.

Our friends to the left have indicated that \$13,000 or \$15,000 may not be a good wage. I would like to point out to them there are many workers in small industries and small businesses

in my area who are getting \$4.50 or \$5 an hour. That certainly does not add up to \$13,000 or \$15,000 a year.

Mr. Grande: It certainly does not.

Mr. G. I. Miller: That is correct, but they are pleased to have that job opportunity so they can cut that to fit their needs. They are not complaining that they should have more money; they just want the opportunity to have a job.

Mr. Grande: In other words, they want to work and starve.

Mr. G. I. Miller: They are not starving, my dear friend. They are living on it. They are not complaining. They want the opportunity to have a job, and I think that is the most important thing—to have a share of the action, to cut it to fit your needs.

I recognize that we all want to attain a higher level in life, but going back to my own background, I can recall when I started to work at a couple of dollars a week and then it went to 50 cents an hour. We could make that fit. We did not have all the luxuries we have now. I think we really have to look back and see how fortunate we really are today.

Inflation is taking over from us, and there is no way it can continue to increase by 10, 12 and 15 per cent in settlements. At \$15 an hour, these are certainly a lot different from 10 per cent at \$5 an hour. At that rate of inflation we are doubling in a period of five or six years. It just cannot go on. I think we have an opportunity now to re-evaluate things, to take a second look. This committee will be established, and we certainly will have the opportunity to have input from the province as a whole.

When we are dealing with costs, I would like to indicate that the government's restraint bill deals only with the public service. I think we have to consider the increases that this government does have control over, such as Ontario Hydro, our municipal taxes, the Ontario health insurance plan and energy, and make sure they are brought into line so they are not increased at any faster rate than the increase in wages. It has to be across the board.

I would like to read to members a letter I received from Air Products industrial gas division, which has established a new plant at the Stelco industrial park. They are concerned about the fact that hydro increases for 1983 could well be 14.8 per cent. I will just put it on the record for the benefit of the government and the Minister of Energy (Mr. Welch) in order to express their views on how it can affect them in

the following years. The letter is dated October 6, 1982, and is addressed to me:

"Later this fall Ontario Hydro's board of directors will make public their decision on the 1983 electricity rate increases. As you are aware, Hydro has proposed a weighted 14.8 per cent increase for direct industrial customers. The increase for our company will be substantially above the weighted average. Such an increase, if approved by Hydro's directors, could prove disastrous to the industrial community of Ontario, of which we are a new member.

"In the past three years our company has invested upwards of \$70 million in the province. In doing so, we have created employment and an export business of about \$20 million per year as well as supplying Ontario customers with our products. Part of the incentive to locate in Ontario was the cost of electricity, which is a major raw material in our business.

"We understand Hydro's position and the logic behind the weighted 14.8 per cent. However, Hydro's timing is wrong. Its efforts to reduce its debt load would be highly appropriate and commendable if economic circumstances were otherwise. However, we must face today's realities today, and one of those realities is that private industry in Ontario cannot afford Hydro's recommended increase.

"In addition, the prospect of increases of similar or greater magnitude over the next three years can only serve to dampen any spirit of recovery in this province, discourage industrial expansion, discourage new industrial development and force existing industries to transfer work loads or expand in other provinces with cheaper electricity."

This was signed by the plant manager, Lou Otvos, of Nanticoke, Ontario.

12:40 p.m.

I would like to put that on the record for the advice and knowledge of the Minister of Energy. It is something that is going to affect not only industry but the whole economy, including the farming industry. Everyone is going to have to pay more. That is one of the things that has put us in the position we are in now. It has affected the farming industry probably more than any other because it requires energy in many forms such as fertilizer and hydro.

Agriculture is the engine that makes the economy work in Ontario and in Canada. Agriculture is still the backbone. It was obvious that farmers were in difficult times as early as two years ago, and particularly last year. As members of the Legislature will remember, the

beef farmers came down and discussed the financial difficulties they were having.

We are just beginning to catch up and it finally filtered down to the economy as a whole. This is really what has taken place. What has contributed to the difficulties this year, particularly in my area, was the devastating frost which hit our tobacco and ruined 40 per cent of the crop. This had the effect of causing a \$125-million loss to the tobacco farmers themselves. We lost employment. It cut off employment early and it certainly is going to contribute to the cost of welfare payments. People will not be able to collect unemployment insurance because they didn't have enough weeks of work. It is certainly going to create a lot of hardship for that particular part of Ontario and the economy generally.

The only one good thing about it is that they have crop insurance, which is funded by the federal and provincial governments. It will help in many cases, but there may be some help for special needs requested from the Minister of Agriculture and Food (Mr. Timbrell) in order to keep those farms alive in some specific areas in 1983.

Again, agriculture is a driving force. The price of corn has been reduced in 1982 from \$4 a bushel to \$2.25 a bushel. Soybeans, which were \$7.50 a bushel, are down to \$5.75 this year. Rye was selling for \$4 a bushel and this year they could hardly find a market for it at \$2.25 a bushel. That is a decrease, and yet the public sector is asking to have the right to negotiate increases.

I think there has to be some way of dealing with it so we are fair to the public sector. We are not against these people having those rights. I think the average worker in the public service is reasonable and recognizes the situation as a whole and is willing to cooperate. We have to show leadership at this level and the federal level. That is what we are doing at this particular time. I am pleased to have the opportunity of participating in that. I know, again, we still have to move ahead.

There is one other area I would like to deal with regarding the difficult times we are having, and that is the work load of unemployment and welfare cases in the area. With the Legislature sitting an extra four weeks, it certainly has made it busy for my riding office and, I would suspect, those of all members of this Legislature.

People on welfare are caught in a bind. We have had several calls from mothers on mothers' allowance in the last few days. One lady with

one child receives \$5,616 a year and she has expenses that work out to \$468 a month. Her rent is \$175 a month and her utilities have gone up from \$55 to \$81. That covers water, sewerage and hydro for two months. Over the past year, her gas has gone up from \$62 to \$89 a month.

She is expected to raise a child and live on \$5,616. It is almost an impossibility with increases in hydro and municipal taxes. That is why we have to be so concerned that restraint is across the board and not just on the public sector, so that we can all live within the increases.

The other lady has two children. She is getting \$5,732. Her rent is \$250 and her heating has gone up to \$76 a month. Her water, sewerage and hydro have gone up similarly. It is almost an impossibility for her to survive. We have to take another look at that. I recognize that we should be designing ways to encourage them to work and help themselves, and the Legislature has designed them. But she pointed out to me that the red tape sometimes gets her down and it is an impossibility. There is really no encouragement to do that. We are in difficult times.

In summing up, I would like to point out that the leader of the Liberal Party has made recommendations that, in the committee that will be sitting after October 18, we should be looking at accelerating winter works programs, construction programs and forestry programs. We should be working with the municipal governments to provide these programs, because they are close to the people and they are the ones who are going to have to deal with the welfare cases.

We have a big job ahead of us. I think that working together and co-operating with all levels, we can achieve it and make Ontario a stronger and a better province to live in.

The Acting Speaker (Ms. Fish): The member for Dovercourt.

Mr. Grande: Oakwood, Madam Speaker.

I want to involve myself in this debate. I certainly will not end by one o'clock, but I will do my best to go as fast as I can.

I want to begin by saying to the members who are here on Friday afternoon—a bad time to debate anything around here—it seems to me the angel of death is once again flying over the province, that black angel who flew over the province back in 1976 when the Treasurer (Mr. F. S. Miller), as Minister of Health, was literally enjoying himself, going to the riding of the former Leader of the Opposition to close down the hospital, attempting to close a hospital here

in Metropolitan Toronto and closing down hospitals generally.

The report I read at that particular time said, "The angel of death is coming." Bill 179, which we are dealing with today, is another example of that angel of death flying over the province. What this bill does, in effect, is deal a lethal blow to collective bargaining in Ontario. At the same time, it deals a blow to the right to strike for those people who have a right to strike in the province. It deals a blow to the arbitration process for those people who do not have the right to strike.

12:50 p.m.

The member for Bellwoods (Mr. McClellan) talked about all the contracts that Bill 179 rips up. It literally rips them up. It takes away money from the pockets of workers. I do not care how much it is—\$200, \$300, \$1,000, \$2,000—it takes away money from the pockets of those people. But as our Liberal colleagues seem to want to imply, that money is desperately needed in the pockets of working people to buy the products which we produce in Ontario. They agree with that, yet they seem to be coming to a totally incorrect and illogical conclusion after they agree with it.

Bill 179 tells everyone in Ontario, and not just the 500,000 people who are affected by this bill, how fragile—I do not know of another word to use—are the rights of people in this province. Then all at once the fundamental human rights, as I want to refer to them—similar to those fundamental human rights which all of us in this Legislature, when the resolution was made in this House, certainly agreed that the people in the country of Poland ought to have: to organize and to unionize. We all agreed here. There was no dissension at that particular time.

Right now this government is saying those fundamental human rights that everyone in this society accepts and has accepted for 50 or 60 years, somehow, at the will of the government, whenever this government wants, could be done away with. If this government takes so lightly those basic fundamental human rights we have and if it is willing to take away the rights of working people after a contract has been bargained collectively, then what is next?

If the situation were such that the government, in its particular view of the world, saw that there was a crisis to its economic order, my God, martial law would be imposed here. There is no doubt about it.

Certainly, this action under Bill 179 contemplated by the Treasurer and the Premier (Mr.

Davis)—not by them but by their mandarins in the background who worked two or three months over the summer to concoct this medicine—is definitely an action of a government that is in a state of total desperation. It is a government which has shown that in times of crisis in this province it does not know in which direction to go. Indecisiveness is the mark of the Premier of this province—indecisiveness at a time strong decisions are required.

Of course, they were waiting for the feds. They criticize the feds and then they wait for them to act. As the Premier says in this House, continually, "We, here in Ontario"—meaning the government—"have no control in terms of unemployment in this province, we have no control of the automotive sector, we have no control over the manufacturing sector."

He is quite right. They have no control because they leave that control in the hands of those people who, from their particular perspective, should be the ones to have the control. As a matter of fact, basically they tell the government: "Stay out of it and do not interfere with us. We want to make the decisions and you just wait until we tell you to act and how we want you to act."

Let me give members an example of how that four to five per cent of the population of this province has told the government to act. I do not pretend to say that these statistics have not been used in this House before. They have been used and they will be used over and over again. The statistics I am referring to relate to the budget of this province in 1960-61. The Treasurer probably does not remember that or does not look back to that particular time.

The budget at that time showed that the province raised \$1.79 in corporate income tax—is the Treasurer listening?—for every dollar raised in personal taxes. Twenty years later the situation has drastically changed. In 1960-61 the \$1.79 became 25 cents raised from the corporate income tax, and the one dollar remained in the same ratio with respect to moneys collected as personal income taxes from low and middle income families.

In the last 20 years this government in effect has said to the private sector, "We are going to leave in your hands, because we are not going to tax it as we were doing in 1960-61, \$11 billion in taxes that could have accrued to the government of Ontario for the benefit of the people of Ontario." The Treasurer can calculate this if he thinks I am incorrect. If the rate of taxation had

remained steady from 1960-61 to 1980-82, the figure would be \$11 billion.

What is the reward to the people of this province for that \$11 billion that this government left in the hands of the private sector by not taking that corporate income tax? We know what the reward is. The reward is 700,000 people unemployed. The reward is 17.3 per cent of young people in our province unemployed. The reward is, as the *Globe and Mail* states this morning, "Permanent Layoffs Up 90 Per Cent This Year With Plant Closings."

Is this the reward the Treasurer gets for being so nice to those friends of his? How dare they do this to him? Does he not take offence, politically at least, that they are leaving him high and dry? Does he not take offence at the fact that these people promised him that Ontario would be the land of growth but deserted him in 1982? They are saying to him: "If you are thinking of going back to the same corporate income taxation of

1960-61, forget it. We are going to close our doors and get out of Ontario. We want no part of that." However, the Treasurer is still listening to those people because he needs them.

In terms of youth unemployment, 17 per cent of young people are unemployed, a good number of whom went to college and graduated. These are people to whom this province has said, "Go and get skills at college because then you are going to be assured employment." These are the people who are walking the streets of Metropolitan Toronto and this province.

I think this government should accept that it is totally to blame for the state of crisis the economy is in and should stop punishing the people who have the least power to protect themselves. It should stop badgering people.

On motion by Mr. Grande, the debate was adjourned.

The House adjourned at 1:02 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

NATIVE PEOPLES

226. Mr. Renwick: Will the ministry table as soon as possible a comprehensive list of all issues known to the government outstanding between the native peoples in Ontario and the government? [Tabled June 21, 1982].

Hon. Mr. Henderson: For the purpose of this response, native people are defined as status Indians, nonstatus Indians and metis. Outstanding issues are defined as major matters of debate or controversy requiring resolution.

Based on these definitions, the following is a comprehensive list of all issues known to the government which are outstanding between native people in Ontario and the government:

1. Attorney General versus Bear Island Foundation and Temagami Band of Indians.

2. Skerryvore Ratepayers Association versus Shawanaga Band of Indians and the Attorney General of Ontario.

3. Eagle Lake Band of Indians versus Her Majesty the Queen in the Right of Ontario.

4. Cheechoo versus Her Majesty the Queen in Right of Ontario.

5. Maracle versus Her Majesty the Queen in Right of Ontario.

6. Interpretation of provincial obligations related to those sections of the Constitution Act 1982 which relate to the rights of native people.

7. Requests by native people that the province should substantially increase its commitment to the funding of native economic development.

8. Requests by the Ontario Metis and Nonstatus Indian Association that the Ministry of Citizenship and Culture provide ongoing funding for the administration of OMNSIA's head office and zone offices.

9. Requests by native associations that the grants program of the native community branch, Ministry of Citizenship and Culture, be expanded.

10. Completion of and government response to the final research report of the task force on native people in the urban setting.

11. Requests by Indian associations that Indian people control the planning and delivery of social services to status Indians.

12. Renegotiation of the Canada/Ontario Indian Welfare Agreement.

13. Requests by Indian bands that band welfare recipients be required to perform work as a condition of receiving assistance.

14. Requests by Indian associations that affirmative action staffing programs for native people be established within the Ministry of Community and Social Services and its agencies.

15. Requests by native associations that the province establish and fund native specific social services off-reserve.

16. Requests by Indian people that Indian burial grounds be protected through amendments to the Cemeteries Act.

17. Allegations by Indian bands and associations that they have not had adequate input into the 1981-82 provincial review on native education and into secondary education review project.

18. Requests by native associations and Indian bands that the province develop a position on the status and function of native languages in publicly supported schools in Ontario.

19. Requests by Indian bands that the province relate more closely to the policy of the government of Canada that Indian bands should have greater responsibility for, and control over, education services.

20. The feasibility or necessity of removing mercury contaminated sediments from the Wabigoon River or covering contaminated sediments in Clay Lake with uncontaminated clay in order to reduce mercury contamination of the fisheries in that watershed.

21. Renegotiation of the 1924 Indian Lands Agreement.

22. Resolution of a number of Indian land claims.

23. Negotiation of disposition of unsold surrendered Indian reserve lands.

24. Transfer of provincial crown land for northern Indian communities.

25. Negotiations under the extended February 10, 1982, memorandum of understanding regarding amendments to the Ontario Fishery Regulations.

26. Indian rights to harvest wild rice.

27. Requests for provincial assistance for housing development on Moose Factory Island.

28. Employment of native people at provincially funded developments such as Minaki Lodge.

29. Improvement of transportation services to isolated communities in the far north, including the need for increased winter road construction and the location of future remote airports.

30. Renewal of the Canada-Ontario Indian policing agreement.

31. Formation of an Ontario Indian police commission.

32. Requests for Indian reserves for increased staffing from the Indian policing program.

33. Requests by native communities for special treatment with respect to provincial cost sharing of capital projects.

34. A request by provincial native associations that the province core fund justice co-ordinators.

35. Resolution of a number of situations involving provincial highway improvements and Indian reserve road improvements.

36. Completion of the Islington and Grassy Narrows Indian bands mediation process.

37. Negotiation with the government of Canada and the status Indian people of respective federal-provincial responsibilities with respect to the delivery and cost of services to status Indians.

38. Revisions to the Ontario-Canada status Indian tripartite process and the mandate of the Indian Commission of Ontario.

39. Requests by the advisory council on multiculturalism and citizenship that the province develop a corporate native affairs policy to assist the government to address native policy issues.

40. Completion of and government response to the final report of the joint working group on native drug and alcohol abuse.

MUNICIPAL ASSESSMENTS

230. Mr. Ruprecht: Would the Minister of Revenue indicate whether section 63(2) of the Assessment Act was applied in accordance with the practices and procedures of the Ministry of Revenue, and in a fair and accurate manner, to each of the following streets in the city of Toronto: (a) Albertus Avenue; (b) Cortleigh Boulevard; (c) Glencairn Avenue; (d) Glenview Avenue; (e) Hillsdale Avenue; (f) MacPherson Avenue; (g) Marlborough Avenue; (h) Metcalfe Street; (i) Roxborough Street, West; and (j) Wellesley Street, East? [Tabled June 28, 1982].

Hon. Mr. Ashe: Subsection 63(2) of the Assessment Act was applied, in accordance with the practices and procedures of the Ministry of Revenue, to each of the streets in the city of Toronto cited in the question.

Since the assessments of certain properties located on these streets in the city of Toronto have been appealed to the assessment review court, it would be inappropriate for the Minister of Revenue to comment further until the appeals have been heard.

PETROSAR CONTRACT

231. Mr. J. A. Reed: Would the Minister of Energy provide the following information concerning Ontario Hydro's 1976 long-term contract with Petrosar Ltd. for the delivery of heavy fuel oil: (1) the date when the contract was signed and the expiry date; (2) the present value of the contract; (3) has the Minister of Energy ever seen the contract; (4) how much has been paid by Ontario Hydro to date not to take deliveries of the oil and how much has been committed in the future for this purpose; (5) total cost to Ontario Hydro to cancel the contracts; (6) total deliveries of oil that are to be supplied under the contract; (7) total deliveries of oil that have been supplied to Ontario Hydro to date; (8) was the price for the oil under the contract based on the market value of heavy oil or, if not, what was the price based on; and (9) will the minister table the contract and any reports by Ontario Hydro and the Ministry of Energy concerning the signing of these contracts? [Tabled June 28, 1982].

Hon. Mr. Welch: 1. The contract was signed in September 1976, with deliveries beginning in 1977 and concluding in 1992.

2. The present value of the contract is subject to a number of major uncertainties, including future oil prices, discount rates, petrochemical markets and general economic conditions in Canada and elsewhere.

3. I have not personally seen the contract.

4. Payments to compensate Petrosar under the terms of the contract for Hydro's reduced take have been made since 1977. To the end of 1980, these payments aggregate \$33 million and are in full satisfaction of Petrosar's claims. Interim payments of \$12 million have been made for 1981 and interim payments at the rate of \$1.5 million per month are currently being made for 1982.

5. It is impossible to determine the total cost to cancel the contract as unconcluded audits are involved for the years 1979, 1980 and 1981, and Ontario Hydro is at present negotiating for a possible long-term termination of the contract.

6. The contract is for delivery of 20,000 barrels of residual fuel oil per day.

7. Deliveries to Hydro are as follows: 1977, 2,142,000 barrels; 1978, 1,823,000 barrels; 1979, 1,334,000 barrels; 1980, 1,310,000 barrels; 1981, 450,000 barrels; 1982 (June 30), 136,000 barrels.

8. The contract price is determined by a formula based on the price of Canadian crude oil delivered to Sarnia.

9. The tabling of the contracts and related reports could seriously prejudice the outcome of commercial negotiations between Ontario Hydro and Petrosar Ltd.

ORDERS IN COUNCIL

232. Mr. Mackenzie: Would the ministry inform the House how many orders in council have been passed in Ontario in each of the years 1976 to 1981 and how many to date in 1982? [Tabled June 29, 1982].

Hon. Mr. McCague: Total orders in council in 1976 were 3,630; in 1977, 3,577; in 1978, 3,801; in 1979, 3,366; in 1980, 3,491; in 1981, 3,708; in 1982 (up to and including October 14, 1982), 2,731.

CHILDREN IN PSYCHIATRIC HOSPITALS

245. Mr. McClellan: Will the Minister of Health table the number of children under 16 who are currently in residence on adult psychiatric wards of provincial psychiatric hospitals, providing for each placement the date of admission, age of child at admission, length of stay and name of hospital? [Tabled July 5, 1982].

Hon. Mr. Grossman: There are no children under age 16 who are currently in residence on adult psychiatric wards of provincial psychiatric hospitals.

246. Mr. McClellan: Will the Minister of Health table the number of children under 16 who have been placed in residence on adult psychiatric wards of provincial psychiatric hospitals during the period 1977 to 1981, providing for each placement the date of admission, age of child at admission, length of stay and name of hospital? [Tabled July 5, 1982].

Hon. Mr. Grossman: There were 185 children under 16 who have been placed in residence in adult psychiatric hospitals during 1977 to 1981.

MASSEY-FERGUSON

250. Mr. Nixon: What part of the Ontario financial guarantee to Massey-Ferguson Corp. has been called on by the investigators since the corporation passed its regular dividend a month ago? [Tabled July 5, 1982].

Hon. Mr. Walker: Pursuant to the provisions of the Massey-Ferguson Limited Act, 1981, Ontario entered into a guarantee agreement which contingently obligated Ontario to purchase three million (maximum) series D preferred shares of Massey-Ferguson Ltd. The contingency has occurred, namely, that Massey-Ferguson Ltd. has failed to pay the retraction

price of the shares to the shareholders, which obligation arose upon failure of Massey-Ferguson Ltd. to pay a monthly dividend in June 1982.

Accordingly, Ontario has paid to the trustee for the holders of those shares (National Trust) the sum of \$75,809,614.73 and is now entitled to ownership of three million series D preferred shares of Massey-Ferguson Ltd. Ontario has not entered into any other agreements relating to acquisition of shares in Massey-Ferguson Ltd. and has no further obligations under the Massey-Ferguson Limited Act, 1981.

PAMPHLET ON BILL 127

258. Mr. Grande: Would the minister responsible provide the following information concerning the printing of a pamphlet titled Bill 27 and Heritage Languages, with the Ontario logo, sent out by the Ministry of Education, containing the remarks made by the Minister of Education to the annual meeting of the St. David's Progressive Conservative Association, Rosedale Public School, on June 22, 1982: (a) How many pamphlets were printed? (b) What was the cost per pamphlet? (c) What was the total cost? (d) Who paid for the production and distribution of the pamphlet? (e) Was a target list prepared for the distribution of the pamphlet? If so, please table the list? (f) Are there any plans to print additional copies? If so, in what quantity? [Tabled July 6, 1982].

Hon. Miss Stephenson: (a) 3,000; (b) 18.5 cents; (c) \$560 (including printing, typesetting and artwork); (d) Ministry of Education; (e) No target distribution list was prepared. The booklet was prepared to respond to numerous requests and letters. This method was deemed the most efficient and economical. For example, photocopying would have cost \$900; (f) There are no plans to reprint the booklet.

DEMOGRAPHIC STUDY ON THE HANDICAPPED

259. Ms. Copps: Would the Ministry of Health please table the final report of the Demographic Study on the Handicapped, following the preliminary report available last fall? [Tabled September 21, 1982].

See sessional paper 234.

PARKING AT LEGISLATIVE BUILDING

260. Mr. Philip: Will the Minister of Government Services provide a complete list of individuals to whom parking spaces around the main Legislative Building are assigned, including the spaces along the south frontage of the

building, indicating for each individual the office or organization within the main Legislative Building in or for which he or she works and whether the charges for such spaces are paid by the office or organization in or for which the individual works or by the individual? Where spaces are occupied on some other basis than assignment, will the ministry provide an indication of which vehicles, by licence numbers, occupy those spaces on the particular working day surveyed? [Tabled September 21, 1982.]

See sessional paper 235.

KEROSENE COLOURATION

261. Mr. Elston: Would the Minister of Revenue list: (1) the number of complaints which he has received concerning any harmful effects in the use of coloured fuel in kerosene heaters and the nature of these complaints; (2) all studies which have been done or commissioned by his ministry concerning the safety of using coloured fuel in kerosene heaters; and (3) all studies that have been done or commissioned by his ministry respecting the effects of using coloured fuel on the curing of tobacco? [Tabled September 22, 1982].

Hon. Mr. Ashe: Two unsubstantiated complaints have been received in the ministry, one from a heater manufacturer and the other from a specialty oil dealer, to the effect that the use of dyed fuel in kerosene heaters will cause smoke and odour and affect the efficiency of the units. Other telephone inquiries have been received for information about any possible effects using the dyed fuel.

2. The Ministry of the Environment has been requested to conduct tests to examine the emissions from kerosene fuel, with and without the dye added.

3. The Ministry of Agriculture and Food and the Delhi research facility will be testing for any effects of using dyed fuel oil in the tobacco curing process. Meanwhile, arrangements have been made for tobacco farmers to use undyed fuel for the balance of this curing season.

SAFETY OF OFFICE EQUIPMENT

263. Mr. R. F. Johnston: Will the minister table the results and readings of tests conducted by REM Consultants on radiation levels from VDTs in the Legislative Library, including a list of models tested, individual readings and dates of testing? [Tabled September 22, 1982].

See sessional paper 236.

PUBLIC OPINION POLLS

272. Mr. Cooke: Would the ministry table all polls taken since May 1, 1982, until September 21, 1982, regarding the economy? [Tabled September 28, 1982].

Hon. Mr. McCague: If any polls regarding the economy have been undertaken between May 1, 1982, and September 21, 1982, they will be tabled individually by the ministers involved when the results are available.

WAGE AND PRICE RESTRAINT PROGRAM

273. Mr. Cooke: Will the ministry provide a list of all budgetary cuts and reallocations that resulted from the two re-examinations of budget priorities mentioned by the Minister of Consumer and Commercial Relations during question period on Monday, September 27, 1982? [Tabled September 28, 1982].

Hon. Mr. McCague: The quarterly publication known as Ontario Finances contains all up-to-date information on ministries' expenditures for the current fiscal year. The June 30, 1982, edition included an additional funding requirement for \$80 million, of which the major portion was in respect of the Massey-Ferguson Limited Act, 1981.

Table 3 of the June 30, 1982, edition reflects the adjustments made to the budget estimates of each ministry which have been applied in the form of constraints to cover the additional funding requirement.

Further expenditure pressures have now arisen which have necessitated the application of a second constraint. Contributing factors have been the adverse weather conditions which affected the tobacco crop and the increase in the welfare caseload.

Details of this constraint are still being finalized and the impact on ministries' budgets will be reflected in subsequent quarterly issues of Ontario Finances.

CABINET ACCOMMODATION COST

275. Mr. Bradley: Would the Premier provide the cost of the conference room accommodations for the cabinet meeting held at the Brampton Holiday Inn on August 31 and September 1, 1982? [Tabled September 29, 1982].

Hon. Mr. Davis: Cost of conference room: \$300.

SUMMER EMPLOYMENT

276. Mr. Conway: Would the Minister of

Natural Resources table a copy of the memo written by the minister in the first half of 1982 advising that youth seeking employment with the Ministry of Natural Resources should contact their local Conservative MPP? [Tabled September 29, 1982].

Hon. Mr. Pope: The Minister of Natural Resources did not write a memo in 1982 regarding summer employment as indicated in the above referenced question.

SALES TAX INFORMATION KIT

280. Mr. T. P. Reid: Would the Minister of Revenue: (1) table (a) a copy of the undated letter welcoming businessmen to the Ontario business community, and (b) the information kit on changes to the Ontario Retail Sales Tax Act, which were sent out to Ontario businesses after the May 13 budget; and (2) provide the total production costs and mailing costs for the letter and information kit? [Tabled September 29, 1982].

See sessional paper 237.

PUBLICATION COSTS

287. Mr. Elston: Would the Minister of the Environment provide: (1) the total production costs for Legacy, volume II, number 1; (2) the total production costs for Legacy, volume II, number 2; (3) the total number of copies produced and distributed for Legacy, volume II, number 2? [Tabled September 29, 1982].

Hon. Mr. Pope: 1. Printing—including typesetting, colour separations, layout and assembly: \$14,000.

2. Printing—typesetting, layout and assembly: \$1,000.

3. Total copies produced—volume II, number 1, 22,000; distributed, 21,000.

4. Total copies produced—volume II, number 2, 22,000; distributed, 20,000.

GOVERNMENT ADVERTISING

294. Mr. T. P. Reid: Would the Treasurer provide the costs of the advertisement placed by the government of Ontario regarding the BILD program, in the Globe and Mail's Report on Business section, September 6, 1982? [Tabled September 29, 1982].

Hon. F. S. Miller: The costs were \$3,287.90.

ONTARIO PLACE

307. Mr. Eakins: Would the Minister of Tourism and Recreation indicate the total cumulative deficit encountered by Ontario Place in

its operations every year since its inception? [Tabled September 29, 1982].

Hon. Mr. Baetz: The total cumulative deficit encountered by Ontario Place in its operations every year since its inception is \$17,934,000.

McMICHAEL CANADIAN COLLECTION

486. Mr. Edighoffer: Would the Minister of Citizenship and Culture, with respect to the renovations to the McMichael Canadian Collection, advise the House: (a) What were the projected costs of renovations outlined in the consultant's feasibility study in July 1980? (b) What were the estimated costs for such work when it began in July 1981? (c) What is the total cost of these renovations as currently projected? (d) What is the current timetable for completion of the renovation program? [Tabled September 30, 1982].

Hon. Mr. McCaffrey: (a) The stage II report of the feasibility study indicated a first cost estimate for construction comprising fire protection improvements, functional alterations (not including Great Hall ramp), a 25,000-square-foot addition to the gallery, and landscaping, including fees and expenses but excluding project management and relocation costs, in July 1980 dollars, at \$6,880.

This cost, escalated by construction index to July 1982 dollars, is \$8,260.

(b) The board determined in October 1980 to deal only with priority work for fire safety, accessibility and restaurant and kitchen ventilation improvements, for a preliminary budget in April 1981 of \$4.7 million. External work started in July 1981. After the appointment of the director and further review of gallery circulation and storage requirements, the cost estimate for such priorities increased to \$5.6 million.

(c) After concerns expressed about gallery closure, the board decided to proceed with all work over and above the initial fire safety priorities and complete the project. Also, since an in-depth investigation of the structure and services was possibly only after the construction had started, many inadequacies were discovered which required major design changes. The total cost of the renovations, including ramps which account for approximately 20,000 square feet of additional space, is \$8.6 million. This does not include relocation costs or the roof replacement.

(d) Phase I opened on October 9, 1982. The second phase, encompassing the original McMichael residence, is scheduled to open in December 1982. The remaining two phases,

which include all of the remainder of the gallery space, will open in April 1983.

488. Mr. Edighoffer: Would the Minister of Citizenship and Culture, with respect to the renovations to the McMichael Canadian Collection, advise the House: (a) What is the projected cost of the roofing replacement portion of the current renovation work, and was this included in the renovation plans in July 1981? (b) How is the roofing replacement work being funded, both in the short term and long term?

Hon. Mr. McCaffrey: (a) The roof replacement is one of several components required to complete environmental controls in the building. Costs for roof replacement, air sealing the walls, humidifiers and a new exterior vestibule is \$850,000.

These items were listed in an overall work schedule to complete the entire project in July 1981, but were not given priority at that time. They were included in the current project as a result of a board decision in July 1982, which authorized the consultants to incorporate them into the current construction plans.

(b) The Ministry of Citizenship and Culture will constrain other spending to allocate the \$850,000 in the 1982-83 fiscal year. The board of trustees has been notified that they must reimburse the consolidated revenue fund with \$850,000 within an appropriate period of time. A schedule for this repayment will be produced by a board shortly.

RESPONSES TO PETITIONS

CONSUMERS' GAS RATES

Sessional paper 177.

Petition: To the Ontario Energy Board and to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

We, the undersigned, wish to register our opposition to the application filed with the Ontario Energy Board by the Consumers' Gas Co. Ltd. to implement a user's charge of \$18.30 per month and a 35 per cent increase in the price for natural gas consumed in the months of January, February and March, and also petition the Legislative Assembly of Ontario to involve itself in the pending rate application of the Consumers' Gas Co. Ltd. by the public statement and by direct intervention on behalf of the residential consumers.

Hon. Mr. Welch: The Ontario Energy Board, which was created by statute of the Legislative Assembly, is responsible for regulating the

income of the natural gas utilities and sets the prices charged for natural gas by Ontario natural gas utilities. In this capacity the board reviews applications of the utilities to determine whether such prices are just and reasonable and also provide an opportunity for the utility to earn a fair rate of return as determined by the board.

On March 23, 1982, the Consumers' Gas Co. filed a rate application with the Ontario Energy Board. This rate application included a proposal to alter the residential heating rate structure, which is the subject of this petition.

In a notice of rate hearing dated June 21, 1982, the board set August 3, 1982, as the date for commencement of phase I of this hearing. Phase I will address the revenue requirement being requested by Consumers' Gas. Phase II will address rate structure, rate levels and the company's proposed new rate design for residential heating customers. Phase II is expected to begin later in the year, following completion of phase I.

By also addressing the petition to the Ontario Energy Board, the petitioners have made their concerns known to the appropriate forum and ensured that they will go on file as part of the public record in the forthcoming hearing.

The June 21, 1982, notice of rate hearing points out that any person who has not intervened in the hearing, but wishes to do so, may attend the hearing and may be heard by the board.

PROGRAM 60

Sessional paper 179.

Hon. Miss Stephenson: Subject: Petition presented to the House, Funding for Program 60.

This is in response to a petition presented to the House by Ron Van Horne, MPP, concerning a submission made by citizens of the city of London involved in Program 60.

Program 60 is a program established by the London Board of Education in September 1980 for citizens within its jurisdiction who are over 60 years of age. It is a continuing education program featuring nutritional, social and educational topics. Provincial funding for this program was available to the board on the same basis as other continuing education courses.

Changes to the funding of continuing education were introduced in April 1982 by the Ministry of Education and became effective September 1982. I presented a statement to the Legislature on continuing education on April 5, 1982, outlining the changes to the funding policy. A copy of my statement is attached.

Details of the funding proposals were accordingly distributed to school boards, a copy of which is attached.

In accordance with the announced changes to the funding of continuing education, effective September 1982, a broad range of programs will continue to be funded by the province, including heritage languages, driver education, credit courses and adult basic literacy and numeracy, citizenship and language instruction and English as a second language. There is, however, no direct provincial funding for general interest or noncredit courses, which is the subject of the petition presented by the Program 60 Action Committee.

The funding change affecting general interest courses was made after considerable discussion and represents a part of the overall funding changes designed to allocate money where it is needed most within the area of continuing education and within the education system as a whole. The Ministry of Education's position is that in this period of limited financial resources, the priority of the ministry in funding continuing education is in the area of credit courses and adult basic education programs. It should be noted, however, that while there is no direct provincial funding for general interest courses, some funding assistance in the form of per pupil amounts is made available to school boards. This funding assistance is designed to assist school boards in providing continuing education activities not included in the categories acceptable to the ministry for direct funding, and in making school facilities available to community groups which cater to the particular needs of each jurisdiction.

The Program 60 Action Committee wrote to me in May 1982. A copy of my response is attached, in which I noted that the matter would be dealt with by the London Board of Education. The current position of the Ministry of Education has not changed, and I do not envisage any special funding support to the board specifically for this program. It is our understanding that the group's submission is still before the board and that a final decision has not yet been made.

QUEEN STREET MENTAL HEALTH CENTRE

Sessional paper 185.

Hon. Mr. Grossman: Issue: The medium security unit planned to open on September 20, 1982, is being opposed by some members of the community. Additionally, there is concern about

any further changes at Queen Street and it is recommended that a "community board of control" be established.

Response re medium security unit:

Unit is planned to open on September 20, 1982.

It will respond to the many concerns raised previously that medium security services be available for Metropolitan Toronto and the central area of the province.

It is intended to provide Queen Street with additional security for Lieutenant Governor warrant patients, forensic patients and those requiring more security than that at present available.

Although this may receive a negative reaction from some groups, e.g., civil rights groups, the planned establishment of this program has been supported by a number of families and their representatives, e.g., lawyers, citizens' commission on patients' rights, etc. They recognize that the availability of this service may be the only way that transfer of their family members from centres like Penetang to Queen Street could be achieved.

Re moratorium on changes at Queen Street Mental Health Centre:

It is unclear what this petition is attempting to address.

This may be referring to Peat Marwick and Partners' recommendation which resulted from an organizational review completed last winter.

These recommendations are being considered in more detail by an external advisory/implementation committee which has been involving the community through extensive consultations.

Re community board of control:

Ministry recognizes that it must become more responsive to the communities they serve, therefore, community advisory boards are being established for eight of the provincial psychiatric hospitals (not including Queen Street and London* Psychiatric Hospital).

Since an advisory/implementation committee was established at the Queen Street Mental Health Centre to respond specifically to organizational changes at that facility, it was decided not to create a board at that facility until the work of that committee is completed.

*London Psychiatric Hospital has a community advisory board.

INTERIM ANSWERS

238, 239, 242 to 244, 247 to 249. Mr. McClellan:
Hon. Mr. Grossman—Additional time will be

required to answer the above questions.

298. Mr. Roy: Hon. Mr. Wells—The Ministry of Intergovernmental Affairs is compiling the data required for the response and cannot meet the deadline of October 8, 1982. This information will be available November 1, 1982.

487. Mr. Edighoffer: Hon. Mr. McCaffrey—The precise answers to this question require detailed research, since there are 716 change orders. Information regarding the major items of change will be made available for tabling on or about November 20, 1982.

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